

**PROCUREMENT PLANNING AND END USER SATISFACTION  
A CASE STUDY OF MINISTRY OF GENDER,  
LABOUR AND SOCIAL DEVELOPMENT**

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**A DISSERTATION SUBMITTED TO THE SCHOOL OF MANAGEMENT AND  
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REQUIREMENTS FOR THE AWARD OF A MASTER OF  
SCIENCE IN SUPPLY CHAIN MANAGEMENT OF  
KYAMBOGO UNIVERSITY**

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## **DECLARATION**

I, **Mbabazi Catherine**, hereby declare to the best of my knowledge that, the work presented in this report is original and has never been presented in any university or other institution of learning higher learning for any award. Where other individual's information has been used, quotations have been made and references provided. During this period of registered study in which this research report is prepared, I have not been registered for any other academic award or qualification in any institution.

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**APPROVAL**

This is to certify that this research report entitled "*Procurement Planning and End User Satisfaction; a Case Study of Ministry of Gender, Labour And Social Development*" carried out by Catherine Mbabazi was done under our supervision and has been submitted with my approval in partial fulfillment of the requirements for the award of degree of a Master of Science in Supply Chain Management of Kyambogo University.

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**PRINCIPLE SUPERVISOR**

## **DEDICATION**

This report is dedicated to my lovely Husband Nelson Balyejusa, Children Mirembe Nelly Patience, Mukisa Don Noel Emma, Birungi Kelly Chloe Nicole and Mulungi Don Moen Clyton, my parents Mr.& Mrs. Kim and Office of the President for all the sacrifices made, guidance, support and encouragement.

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## LIST OF ABBREVIATIONS/ACRONYMS

<b>CC</b>	:	Contracts Committe
<b>FY</b>	:	Financial Year
<b>HLG</b>	:	Higher Local Government
<b>HOD</b>	:	Head of Department
<b>MGLSD</b>	:	Ministry of Gender Labour and Social Development
<b>MPI</b>	:	Market Price Index
<b>PDEs</b>	:	Procuring and Disposal Entity
<b>PDU</b>	:	Procurement and Disposal Unit
<b>PE</b>	:	Procuring Entity
<b>PP</b>	:	Procurement Planning
<b>PPDA</b>	:	Public Procurement and Disposal of Public Assets
<b>SPSS</b>	:	Statistical Package for Social Scientists
<b>VFM</b>	:	Value for Money

## ABSTRACT

The study focused on assessing the relationship between “*Procurement Planning and End User Satisfaction; a Case Study of Ministry of Gender, Labour and Social Development*”. This is because Revenue generation is the nucleus and the path to modern development. This study was guided by the following specific objectives to; examine the effect of Needs Identification on End User Satisfaction at the MGLSD, establish the extent to which Procurement Cost Estimation affects End User Satisfaction at the MGLSD, assess the influence of Specification of goods on End User Satisfaction at the MGLSD and recommend possible strategies for realizing effective procurement planning system and interventions for improving end user satisfaction in the public sector. The methodology adopted a case study research design. Data collected and used included both primary and secondary data which was collected by use of self-administered questionnaires among user departments and an interview guide among procurement officers. Questionnaires and statistical data were instruments used for the study. Data was analyzed using SPSS version 21 where findings were presented in both descriptive and inferential analysis format. Descriptive analysis was presented using mean and standard deviation while inferential analysis utilized Karl Pearson correlation co-efficient to establish the relationships that exist between the independent and dependent variables.

The findings of the study revealed that needs Identification affected procurement planning (Pearson ( $r$ ) = .246\*). It involved planners at different departments determining the expected and realistic products and services and works. User departments provided cost estimates sheets for all procurements at the ministry to be availed for funding. Therefore procurement planning depends on the cost or budget that influenced end user satisfaction, (Pearson ( $r$ ) = .276\*\*) sig value  $P$  (value)  $P < 0.05=000$ ). The study has established that quality specification was a vital aspect relating to procurement planning. Constructs that include: the type of item to be procured, financial capacity, procurement method applied and availability of procurement department determined the quality of specification. There was a positive correlation between Specification of goods and End User Satisfaction at the MGLSD, (Pearson ( $r$ ) = .318\*\*) sig value  $P$  (value)  $P < 0.05=000$ ).

The study deduced that, there was lack of proper planning through effective identification of user needs which created avenue of unethical practices in procurement department such as corruption and improper use of resources, excess budget votes. The study results also revealed that there was high staff incompetence within the user departments and PDU in coming up with accurate cost estimates and clear specification in the procurement plan. This affected Cost estimation since no planning could not be done without accurate financial estimates. Inadequate planning at the MGLSD procurement activities through establishment of every department need analysis, then cost estimation evaluated against the need to match with available budget threshold was ineffective resulting into low procurement performance.

The study recommends MGLSD should be able to provide training to user departments on how to effectively conduct Needs Identification for bids to influence effective and efficient procurement planning. The user departments should develop requisitions with clear specifications for their requirements which should be within quality standard measures. This study seeks to set that further research should be conducted to establish proper ways of procurement planning which must link field activities with the procurement plan, stakeholder analysis, peer review mechanisms and frequent review of previous plans. To examine the performance means used in transforming processes, procedures, and plans to improve customer dissatisfaction.

## **CHAPTER ONE**

### **1.0 Introduction**

This study was set out to establish effect of Procurement Planning on End User Satisfaction taking a case study of the Ministry of Gender, Labour and Social Development. Chapter one presents the background to the Study, Statement of the Problem, Purpose of the study, Objective of the study, Research Questions, Scope of the study which includes the conceptual scope, geographical scope and time scope the significance of the study and key definition of terms used in the study.

### **1.1 Background to the Study**

#### **1.1.1 Historical Perspective**

In 1997, Uganda initiated procurement reforms which culminated into the enactment of the PPDA Act 2003 and although the Act, was set up to have national (Central and Local) coverage, only the Central was under PPDA Act 2003 up to February 2006, when the Local Government Act, Cap 243 Section 91- 94 were amended to harmonise the higher local government (HLG) Procurement institutional arrangement, regulations and procedures with those of the PPDA Act, 2003. This is currently the principle law governing Procurement and Disposal in both Local governments and central government. It prevails over all regulations and guide lines relating to procurement at all levels of public sector in Uganda. Procurement planning has created a new procurement framework intended to achieve a number of objectives. Firstly, is to promote economy and efficiency in procurement and disposal activities of the public sector. Second is to ensure public procurement and disposal is conducted in a fair, transparent and non-discriminatory manner within public sector. Thirdly, to promote integrity and fairness of the procedures, (Basheka, 2008)

In Uganda like most developing countries, Uganda initiated procurement reforms which culminated into the enactment of the PPDA Act (2003) as Amended 2014. The user department prepares an annual work plan for procurement based on the approved budget, which are submitted to the Procurement and Disposal Unit (PDU) to facilitate orderly execution of annual procurement activities. A procurement plan should be integrated into the annual sector expenditure program to enhance financial predictability, accounting and control over

procurement budgets. The combined work plan for the procuring and disposing entity will include details of activities of works, services or supplies to be procured, a schedule of procurement requirements in order of priority, a statement of required resources supported by a schedule of the projected funding, (Basheka, 2009).

### **1.1.2 Theoretical Review**

Defee et al., (2010) cited in Maurice James Davis (2014) stated that, a good research should be grounded in theory (Mentzer et al., 2008), therefore, this study was guided by the institutional theory whose traditional approach is used to examine elements of public procurement, (Obanda, 2010).

According to Scott (2004), institutions are composed of cultural-cognitive and regulative elements that, together with associated activities and resources give meaning to life. He further explains the three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes on the use of rules, laws and sanctions as enforcement mechanism, with expedience as basis for compliance. The normative pillar refers to norms (how things should be done) and values (preferred or desirable), social obligation being the basis of compliance. The cultural-cognitive pillar rests on the shared understanding (common beliefs, symbols, shared understanding). This theory is very important when it comes to the implementation of sustainable procurement planning. This is a matter of organizational culture and the degree to which the prevailing climate in an organization is supportive of sustainability and/or of change in general. In other respects, this dimension includes the extent to which there is support for SP at senior levels in an organization and the degree to which organizational processes and structures support, or retard, the development of SP, (Brammer & Walker, 2007)

### **1.1.3 Conceptual Review**

According to PPDA Act (2003) as amended 2014“Procurement” means acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or any other contractual means, of any type of works, services or supplies or any combination. According to Agaba and Shipman (2007), procurement planning is the process used by companies or public institutions to plan purchasing activity for a specific period of time. This is commonly completed during the

budgeting process. Each year, user departments are required to budget for staff, expenses, and purchases. Procurement planning is basically the process by which organizations determine what to buy, when and from whom. The organization is able to know in advance, the costs involved in a particular purchase both in terms of money, time and human resource. It is at this stage that the organization lists its expectations and how to measure success and considers all factors that might have an effect on the product or service purchase, (Agaba and Shipman, 2007).

Van Wheel (2005) also stated that procurement planning is the process of determining the procurement needs and the timing of their acquisition and funding such that the entire operations are met as required in an efficient way. He adds that it generates power that propels the engine of the procurement process. Thus a mistake in procurement planning may culminate into diverse implications in the organization that may deter its progress. Procurement Planning is important because: It helps to decide what to buy, when and from what sources; It allows planners to determine if expectations are realistic; particularly the expectations of the requesting entities, which usually expect their requirements met on short notice and over a shorter period than the application of the corresponding procurement method allows; It is an opportunity for all stakeholders involved in the processes to meet in order to discuss particular procurement requirements. These stakeholders could be the requesting entity, end users, procurement department, technical experts, and even vendors to give relevant inputs on specific requirements; It permits the creation of a procurement strategy for procuring each requirement that will be included in the procurement plan. Such strategy includes a market survey and determining the applicable procurement method given the requirement and the circumstances; Planners can estimate the time required to complete the procurement process and award contract for each requirement. This is valuable information as it serves to confirm if the requirement can be fulfilled within the period expected, or required, by the requesting entity; The need for technical expertise to develop technical specifications and/or scope of work for certain requirements can be assessed, especially where in-house technical capacity is not available or is non-existent; Planners can assess feasibility of combining or dividing procurement requirements into different contract packages.

The term “end user” is used within this document to describe the individual with responsibility for formulating the requirement, i.e. the goods, services or works required or the budget from which the requirement will be purchased. The end user will tend to be the division, department, etc. who requires the goods, services or works in order for it to undertake its operational duties.

End users form the basis for identifying needs during procurement planning that entail: Core functions of the end-user unit in the organization, i.e. Community Rehabilitation Programme for the disabled, department of Culture and Family Affairs, Disability and Elderly, Equal Opportunity Commission, Expanding Social Protection Programme, Finance and Administration, Fort Portal Remand Home, Functional Adult Literacy Programme, Kampiringisa National Rehabilitation Centre etc. Current supply inventory and other maintenance and operating needs. Each user department prepares a work plan for procurements based on the approved budget, which is submitted to the Procurement and Disposal Unit to facilitate orderly execution of annual procurement activities.

A procurement plan is consolidated from work plans submitted by user departments and the Procurement and Disposal unit uses it to plan, organize, forecast and schedule the procuring and disposing entity's procurement activities for the financial year. Section 34 of the PPDA Act (2003), mandates the user departments to: User departments liaise with and assist the Procurement and Disposal Unit throughout the procurement of Disposal process to the point of contract implementation; initiate procurement and disposal requirements and forward them to the Procurement and Disposal Unit; propose technical inputs to statements of requirements for requirements to the Procurement and Disposal Unit; propose technical specifications to the Procurement and Disposal Unit where necessary; input with technical evaluation of bids received as required by Procurement and Disposal Unit; arrange for payment to providers; report any departure from the terms & conditions of an awarded contract to the Procurement and Disposal Unit; shall prepare a procurement plan based on the approved budget, which shall be submitted to the Procurement and Disposal Unit for implementation when required.

End users should not deal directly with bidders or potential bidders during the procurement process without the full involvement of and/or approval by the procurement officer, (Scottish Government's Public Procurement Policy Handbook, 2008).

Any procurement begins with the planning decisions by end users to make the purchase and this will involve in the first place, deciding whether there is a need for the particular goods or services, ensuring that the purchaser has the legal powers to undertake the transaction, obtaining any relevant approvals within the government and arranging the necessary funding. But it is again not surprising that many procurement entities (user departments) mainly in the Central Government levels have not taken planning a serious activity. The UN Procurement Practitioner's Handbook (2006), further adds that, the ultimate goal of procurement planning is coordinated and integrated action to fulfill a need for goods, services or works in a timely manner and at a reasonable cost. Early and accurate planning is essential to avoid last minute, emergency or ill-planned procurement by end users, which is contrary to open, efficient and effective – and consequently transparent – procurement.

#### **1.1.4 Contextual Review**

Ministry of Gender Labour and Social Development is a Government Ministry that came into being by a constitutional requirement of the 1995 Constitution, Chapters 4 and 16 which mandates government to: “empower communities to harness their potential through skills development, Labour productivity and cultural growth” in diverse areas, (MGLSD, Strategic Plan 2016/7- 2010/11). The Ministry coordinates all social development agendas to facilitate efficient and effective programming and resource utilization toward sustainable development. The Ministry has three directorates that is: Gender and Community, Labour and Social Protection.

MGLSD end users who are departments include; Community Rehabilitation Programme for the disabled, department of Culture and Family Affairs, Disability and Elderly, Equal Opportunity Commission, Expanding Social Protection Programme, Finance and Administration, Fort Portal Remand Home, Functional Adult Literacy Programme, Kampiringisa National Rehabilitation Centre and Occupational Safety. Notwithstanding the crucial role that the Sector plays in creating demand for social services and laying a foundation for other sectors to improve their outcomes, the sector is one of the least funded in FY2014/15, the sector approved budget was 70.305Bn and in FY2015/16 it was allocated Shs.79.733Bn out of Shs.20620.13Bn showing

0.39% of the overall Budget with a silt increment of Shs. 9,423Bn. FY2016/17 was allocated Shs.182.23Bn out of Shs.19550.08Bn.

Irregularities related to inefficient procurement processes, contract management records not taken into account because contract managers are not appointed to supervise contracts, not all purchases are taken on ledger charge, contract variations, failure to prepare contract implementation plans, supplies are made before signing of contracts/ issuance of local purchase orders and failure to adhere to the PPDA Act (2003). A weak procurement control environment which undermines the integrity of the whole procurement process, failing to perform roles by the user department, poor execution of contracts has created room for no transparency at the Ministry. Thus a procurement plan serves as a check (control) on conduct (PPDA Audit 2014). Otherwise unplanned procurement activities and for that matter its inaccurate preparation with the engagement of necessary end users has limited achievement of value for money (World Bank, 2005). Lack of procurement planning is a major source of operational problems which is as a result carrying out procurements that are not planned for in the procurement plan a rush of procurement activities towards the end of the budget year driven by the desire of full budget utilization. Consequently if this continues, it is most likely to result into worse standard of living, inequity and absence of social cohesion for all especially the poor and the vulnerable and curtail the MGLSD mission of creating an enabling environment for social protection and social transformation of communities.

## **1.2 Statement of the Problem**

The ultimate goal of procurement planning at the MGLSD is coordinated and integrated action to fulfill a need for goods, services or works in a timely manner and at a reasonable cost. Early and accurate planning is essential to avoid last minute, emergency or ill-planned procurements, which is contrary to open, efficient, effective and consequently transparent procurement, (World Bank, 2005 cited in Bategeka, 2013). MGLSD under the constitutional provisions is to ensure the realization of her long-term objective of improving the quality of life of its people. Poor Procurement planning has led to worst procurement performance of user departments which in turn leads to worse service delivery. End users affirm poor linkage between procurements and expenditures, delays, failure to prepare contract implementation plans, inefficiencies and poor

records management. Poor procurement planning has affected and continued to have an impact on quality of services at the MGLSD (PPDA Audit 2014, Procurement Performance Report, 2015). Thus to achieve Value for Money (VFM), the preparation of the procurement plan is inextricably linked with the entity's budget in which the requirements of recurrent inputs of goods, works and services are listed and quantified in monetary terms during a particular year (financial year). This is contrary to Ministry budget allocations Shs.33,084Bn out of Shs.20620.13Bn, showing 0.39% of the overall Budget, (Ministerial Policy Statement, and FY2015/16). It is anticipated that organizational structure, tendering process, corruption, resource availability, and bureaucracy among others greatly hamper both procurement planning and service delivery of the user departments. The provision of good quality services would require the availability, timelines of supplies at their right quantities and quality. The provision of supplies is incomplete without adequate procurement planning at the Ministry. User departments are always challenged in their procurement process especially in provision of inputs for their procurement planning, a phenomenon which has to be investigated for prompt solution in the provision of value for money, (Audit Report, 2015). Hence there was need to conduct a study to ascertain the extent needs Identification, Procurement Cost Estimation and Specification affect end user satisfaction at MGLSD.

### **1.3 Purpose of the Study**

The study aimed at establishing the effect of Procurement Planning on End User Satisfaction at the MGLSD. This is paramount because end users as community members were empowered to advocate for protection and promotion of fundamental rights to overcome poverty and vulnerability, harness their potential through skills development, labour productivity and cultural growth.

### **1.4 Objectives of the Study**

The study was guided by the following specific objectives:

- i) To examine the effect of needs identification on end user satisfaction at the MGLSD.
- ii) To establish the extent to which procurement cost estimation affects end user satisfaction at the MGLSD.
- iii) To assess the influence of specification of goods on end user Satisfaction at the MGLSD.

## **1.5 Research Questions**

The study was guided by the following research questions:

- i) What is the effect of Needs Identification on End User Satisfaction at the MGLSD?
- ii) To what extent does Procurement Cost Estimation affect End User Satisfaction at the MGLSD?
- iii) Do Specifications of goods influence End User Satisfaction at the MGLSD?

## **1.6 Scope of the Study**

### **1.6.1 Content scope**

The study focused on investigating the effect of procurement planning on End User Satisfaction at the MGLSD. It exploits the extent to which Needs Identification, Procurement Cost Estimation and Quality Specification of goods affect end user satisfaction at the MGLSD.

### **1.6.2 Geographical scope**

The study was conducted from the Ministry of Gender, Labour and Social Development, headquarters located in the central region, Plot 2, Simbamanyo House, George Street. P.O. Box 7136, Kampala, Uganda. E-Mail: [ps@mglsd.go.ug](mailto:ps@mglsd.go.ug); Website: <http://www.mglsd.go.ug>. The Ministry is mandated to promote cultural growth, skills development and labour productivity while promoting gender equality, labour Administration, social protection and transformation of communities.

### **1.6.3 Time Scope**

The study took one year that is January to December 2016, literature review was based on the past 10 years while the extent to which procurement planning affects end user satisfaction was examined for the past 3 years.

## **1.7 Significance of the Study**

This study may be of great significance to a number of stakeholders in the following ways; Policy makers may use the study findings to review the role of procurement planning satisfying end users in an organization and as well the role of key players in the procurement process.

They will be able to design systems that guarantee sustainable purchasing operations in manufacturing firms.

Management in the MGLSD and other practitioner's public institutions may utilize the study findings to take decisions on the efficiency and effectiveness of procurement planning process by exploiting loopholes in the procurement systems and provide mechanisms to improve service delivery.

Public entities may use the study findings to institute proper procurement planning process that enhances quality of service delivery in terms of reduction and elimination of inequalities in access to, control and ownership of productive resources, services and opportunities for the poor and vulnerable as well as the elimination of gender based violence strengthened. This will help to manage challenges faced in the procurement systems and provide mechanisms to improve their purchasing system. It will further aid planning while choosing a specific system of procurement.

Researchers, scholars and academicians utilize the study results to explore further how effective procurement planning results into service delivery and will be able to develop further theories on procurement planning approaches for the better innovations. It will also act as a reference for scholars who will pursue further related research.

The study will enable the student-researcher to gain more knowledge and understanding on how ministries apply procurement planning ensure that communities access adult literacy and functional skills to effectively participate in self development initiatives for economic advancement process provided by reviewing related literature.

Researchers, scholars and academicians utilize the study results to explore further how effective procurement planning results into procurement efficiency and will be able to develop further theories on purchasing systems for the better innovations. It will also act as a reference for scholars who will pursue further related research.

## 1.8 Definition of Key Terms

**Procurement:** refers to the acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or any other contractual means, of any type of works, services or any combination.

**Procurement:** refers to the acquisition of materials of the right quality, right quantity, right price, from the right supplier and delivered at the right time.

**Purchasing:** The Public Procurement and Disposal of Assets Act (2003 as amended 2014), defines purchasing as acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or any other contractual means of any type of works, services or supplies or any Combination.

According to PPDA Act (2003) as amended 2014, **Planning** is defined as the setting of targets and activities by the government in a manner that spreads them out in an annual calendar in accordance with resource availability and needs.

**Procurement Planning** is also defined as the setting of targets and activities by the government in a manner that spreads them out in an annual calendar in accordance with resource availability and needs, PPDA Act (2003) as amended 2014

**Procurement Planning;** It's a process of determining procurement needs of an entity and the timing of their acquisition and their funding such that the entities' operations are met as required in an efficient way.

**End-user:** refers to the person, unit or organization that actually uses a product, as opposed to the person, unit or organization that authorizes, orders, procures it, (Nothhaft (1999).

**End-user involvement:** This refers to extent to which final consumers are considered in the whole process of purchasing, (Schffman, 2001).

**User Department:** means any department, division, branch or section of the procuring and disposal entity, including any project unit working under the authority of the procuring and disposal entity, which initiates procurement and disposal requirement and is the user of the requirements.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter presents the literature reviewed on the study about Procurement Planning and End User Satisfaction in relation to the research objectives which are to: examine the effect of Proper Need Identification on End User Satisfaction, establish the effect of Procurement Cost Estimation on End User Satisfaction and assess the effect of Specification of goods on End User Satisfaction. The information is a combination of extracts, paraphrased statements from textbooks, pamphlets, journals, magazines, websites, publications and other official reports related to the effect of procurement planning on end user satisfaction.

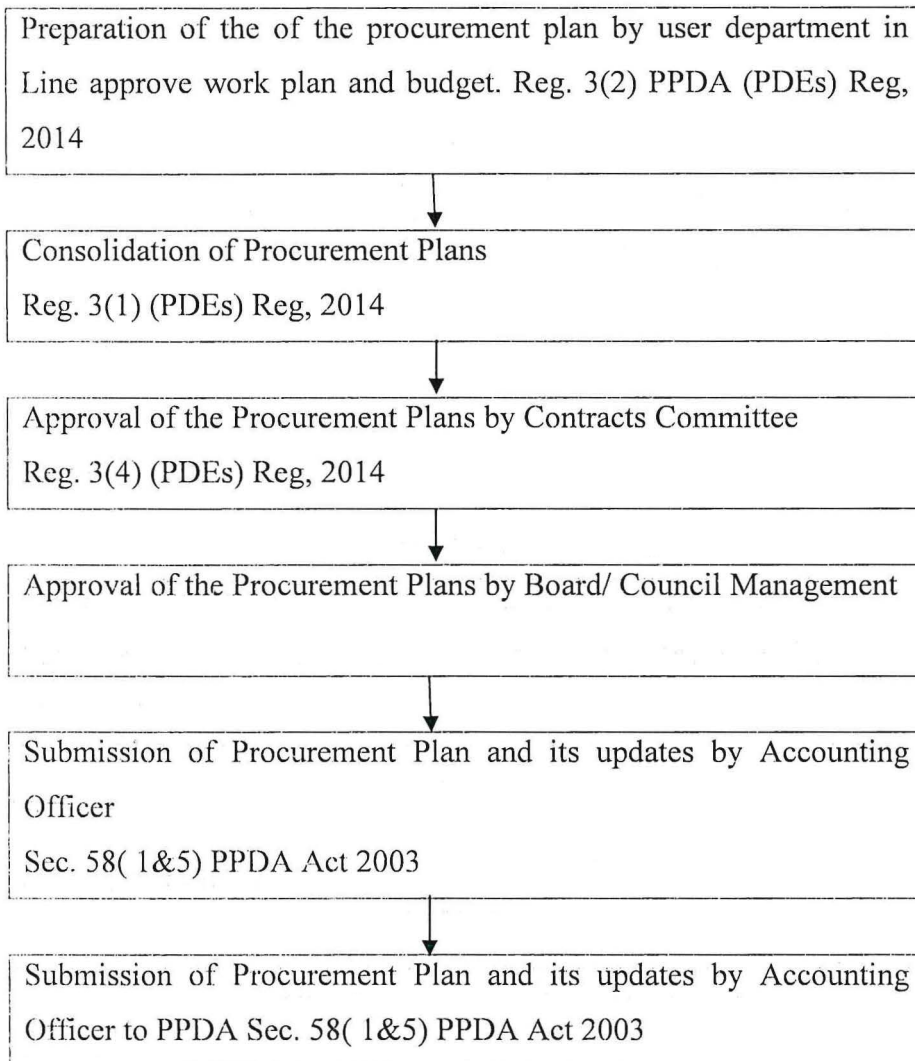
#### **2.1 Overview of the Variables**

##### **2.1.1 Procurement Plan**

According to Van (2005) Procurement Planning (PP) is the process of determining the procurement needs and the timing of their acquisition and funding such that the entire operations are met as required in an efficient way. Van adds that, PP generates power that propels the procurement process; therefore a mistake made in procurement planning may culminate into diverse implications in an entity that may deter its progress.

PPDA Act (2003) as amended 2014 “Procurement” means acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or any other contractual means, of any type of works, services or supplies or any combination. Agaba and Shipman (2007), add that procurement planning is the process used by public institutions to plan purchasing activity for a specific period of time. This is commonly completed during the budgeting process. Each year, user departments are required to budget for staff, expenses, and purchases. In others words Procurement planning is basically the process by which organizations determine what to buy, when and from whom. The organization is able to know in advance, the costs involved in a particular purchase both in terms of money, time and human resource. It is at this stage that the organization lists its expectations and how to measure success and considers all factors that might have an effect on the product or service purchase, (Apiyo, Ogubala & Mburu, 2014)

### The Public Procurement planning process in Uganda



**Source: PPDA 2014**

Lewis & Roehrich, (2009), state that the steps required for organizational procurement planning exercise include; first, define the items you need to procure; next, define the process for acquiring those items and finally, schedule the time frames for delivery. Procurement is thus one part of the commissioning process. It refers to a specific method of purchasing services which involves tendering for a contract. Sometimes it is more appropriate for a public body to fund a service through the provision of a grant, but then it will have less control over the precise outcomes to be delivered. According to Basheka (2006), Procurement plan is very important in facilitating the governance process. In particular, the critical stages of procurement planning essential for ensuring accountability and community participation have been highlighted the

results have also revealed that accounts or finance departments, other user departments in local governments and the newly created procurement and disposal units must work in harmony as key departments that should participate in procurement planning. If managed efficiently and effectively, procurement planning results into compliance with the set processes which eventually leads to saving tax payers money.

Weele, (2010), found out that, Procurement planning process used by institutions aids purchasing activity for an in-depth period of time. This is commonly completed during the budgeting process each year, departments are required to request budget for staff, expenses, and purchases. This is the first step in the procurement planning process. The budgets for all the departments are then reviewed, and in an organization that is committed to procurement planning, the accountants spend the time to find common purchasing requirements, (Caldwell, Roehrich & Davies, 2009).

Asakeya (2014), reveals that, Procurement planning is a process of determining the procurement needs of an entity and the timing of their acquisition and their funding such that the entity's operations are met as required in an efficient way. As a function, procurement planning endeavors to answer the following questions: What do you want to procure?, When do you procure it?, Where will you procure them from?, Which methods of procurement will you use?, Who will be involved in the procurement?, How will timely procurement or failure affect the user of the items and the procuring and disposing entity?, The answers to the questions touch three major areas, The entity involved in procurement, The providers of the various goods, works and services needed by the entity and The legal provisions on the conduct of procurement.

Procurement planning as the preparation of what should be procured, sources of funds for the procurement, the personnel's involved in procurement and sources of items to be procured in a particular financial year, (Lysons, 2007). It has also been defined as the first stage of the procurement process and is concerned with determining what products or services are best acquired from outside the procuring organization, (Chepkoech, 2013). Ads by Google defines Procurement Planning is the process used by companies to plan purchasing activity for a specific

period of time. This is commonly completed during the budgeting process. Each year departments are required to request budget for staff expenses and purchases.

Harrison & Hoek (2008) states that, procurement planning is the system coordinating Information on key 'source- make' - deliver processes to enable material to flow efficiently and effectively. Three time horizons are involved, namely long term, medium term and short term respectively. Long term planning process supports decisions about capacity provision and is normally a twenty years cycle, a medium term planning process deals on how to match with supply and demand within a year and short term planning process is a strategy to meet day to day demand as it unfolds.

According to Fearson, (2006), a Procurement Plan defines the products and services that you will obtain from suppliers. A good Procurement Plan will go one step further by describing the process you will go through to appoint those suppliers contractually. Whether you are embarking on a project procurement or organizational procurement planning exercise, the steps will be the same. First, define the items you need to procure. Next, define the process for acquiring those items. And finally, schedule the timeframes for delivery.

### **2.1.2 Roles of a Procurement Plan**

According to Odhiambo & Kamau, (2003), it is advisable to create a Procurement Plan whenever you want to purchase items from suppliers. Using the Procurement Plan template, you can define the procurement requirements, identify potential suppliers, contract those suppliers and manage them to ensure delivery. Procurement Planning is critical to the success of any entity. This Procurement Plan template helps you to perform these steps quickly and easily.

Bakker et.al, (2008), asserts that, Procurement planning assists agencies to achieve: better alignment of procurement strategies with agency service delivery strategies, improved purchasing advantage, better value for money outcomes, better planning and risk management, more efficient procurement, more innovations in tendering and contract management, more opportunities for implementing and achieving the Government's economic, social and environmental objectives and effective partnerships between agencies and service providers.

The perceived benefits of an effective procurement management plans are several given that public procurement contributes to the broader social-economic goals of a country (Thai, 2004). The public is particularly sensitive to the fact that a good public procurement system results in more goods and services that directly meet the needs of the end users and they are obtained for less money and with speedier delivery, (Hunja, 2003).

Procurement plans are prepared for two different purposes: for the agency, as a means to document and communicate its procurement direction, strategies, processes and procedures to personnel. It also serves as a benchmark against which progress on procurement targets can be measured, (Public Procurement and Disposal of Public Assets Act, 2003 as amended, 2014).

### **2.1.3 Roles and Responsibilities of Stakeholders in Procurement Planning**

According to Public Procurement and Disposal of Public Assets Act, (2003) as amended (2014), the following should be undertaken during Procurement Planning in Uganda:

#### **Preparing an Annual work plan**

Each user department should prepare an annual rolling work plan for procurement based on the approved budget, which is submitted to the procurement and disposal unit to facilitate orderly execution of annual procurement activities. A procurement plan is integrated into the annual and the annual sector expenditure programme to enhance financial predictability, accounting and control over procurement budgets. A procurement and disposal unit uses the combined work plan to plan, organize, forecast and schedule the procuring and disposing entity's procurement activities for the financial year, (Public Procurement and Disposal of Public Assets Act, 2003as amended 2014).

#### **Defining procurement requirements for an Entity**

Agaba & Shipman, (2007), reveal that, it is the role of each entity to define its procurement requirements, identify all of the items they need to procure. Creating a sound financial justification for procuring them, listing all the tasks involved in procuring their services, scheduling those tasks by allocating timeframes and resources. Through a Procurement Plan

template, the procuring entity can quickly and easily define its procurement requirements, the method of procurement and the timeframes for delivery, (Basheka, 2008).

### **Aggregation of Requirements for the Procuring Entity**

The aggregation of requirements takes into account, the market structure for the items required, items which are of a similar nature and which are likely to attract the same potential bidders, the optimum size and type of contract to attract the greatest and most responsive competition or the best prices, items which are subject to the same method of procurement and bidding conditions, items which shall be ready for bidding at the same time, items which shall be subject to the same conditions of contract, potential savings in time or transaction costs, the appropriate size of contract to facilitate the application of any preference and reservation schemes, and the optimum number and size of contracts to facilitate management and administration of contracts by the procuring and disposing entity, (Public Procurement and Disposal of Public Assets Act, 2003 as amended 2014).

### **Dividing Requirements Allocated to a Single Procurement Process**

It is the role of the procuring entity to divide requirements allocated to a single procurement process into separate lots if it is anticipated that the award of several separate contracts would result in the best overall value for the procuring and disposing entity. Where a number of lots are to be procured under the same procurement process, the solicitation documents shall clearly state; the number of lots included in the procurement process, the nature and size of each lot, the minimum and maximum number of lots, if any, for which a bidder may bid, the proportion of each lot for which a bidder may bid, or whether a bid shall be for complete lot and the method of evaluating multiple lots, (Public Procurement and Disposal of Public Assets Act, 2003 as amended 2014).

### **Integration of Diverse Decisions**

Public Procurement and Disposal of Public Assets Act, 2003 as amended (2014), contends that during procurement planning, the procuring unit brings about effective integration of the diverse decisions and activities of members on the technical planning committee not only at a point of time but also over a period of time. It is by reference to the framework provided by planning that

members on the technical planning committee make major decisions on local government activities, in an internally consistent manner.

### **Estimating the Value of the Works, Services or Supplies Required**

When estimating the value of the works, services or supplies required and confirming the availability of funds, the accounting officer shall use all appropriate sources of information in order to determine the market price of a procurement requirement in accordance with Regulation 5 of the (PPDA Act, 2003 as amended 2014).

### **Specific Role of the Accounting Officer**

According to Regulation 26 of the PPDA Act (2003) as Amended 2014, provides that during procurement planning the accounting officer ensures that the public entity establishes a procurement unit, appoints members of the tender committee, procurement committee and other, structures in accordance with Act and the Regulations. Appointing members of the tender committee, appointing members of tender evaluation committees, Ensuring procurement plans are prepared, Ensuring proper documentation of procurement proceedings.

### **Ensuring availability of Sufficient Fund.**

Further still, Regulation 4 of the PPDA Act (2003) as Amended (2014), states that, where payment to a service provider is anticipated to last more than one financial year, it is the role of the accounting officer to ensure that financial provision is made in the budget estimates for the appropriate year to support the procurement during the subsequent years. The accounting officer also ensures that sufficient funds are budgeted for framework contracts every financial year, to cover the full cumulative cost of call off orders anticipated for each year for a framework contract.

### **Role of User departments in Procurement Planning**

Regulation 4 of the PPDA Act (2003) as Amended 2014), states that, user departments and their organizations also have very important roles to play in the procurement planning are:

**Initiate procurements.**

Initiating of procurements in MGLSG is the role of the user department which ensures that the requirement in question is on the procurement plan with the right estimated price. When initiating procurements, the user department has to put into consideration the right specifications which are elaborated enough enable the Procurement and Disposal Unit carry out the process with ease, (PPDA Act 2003 as Amended 2014).

**Nomination of Officials**

For each procurement or disposal requirement, nominate an official to work with the procurement and Disposal unit on all matters relating to that procurement and disposal. The official over sees the procurements being handled any the procurement and disposal unit and also give updates regarding the level at which each procurement has reached. They report their respective departments on any progress for time to time, (Sec 35, PPDA Act 2003 as Amended 2014).

**Accurately Decide**

Assisting entities to accurately decide on which goods, services and works to be expanded and improved, particularly during the planning stages and insisting that the ministry consults user departments during decision-making, (Basheka, 2008) and in the Sec 35, PPDA Act 2003 as Amended 2014 user departments recommend statements of requirements to the procurement and disposal unit as well as undertake conformity assessments.

**Developing of Proposals**

Kemei, (2013), noted that Ministry also works with Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs) and political parties to develop proposals for the Ministry to consider during planning. Communities can also request the Ministries to appoint a committee of community representatives to monitor processes as well as to advise the user department on priorities for service extension and improvement. (PPDA Act 2003 as Amended 2014), user departments come up with terms of reference for the different goods, services and works for what is intended to be procured. They come up with proposals to the technical inputs to statement of requirements to be procured.

## **Evaluation of Potential Service Providers**

Communities or their representatives can also play some role in the evaluation of potential service providers, the involvement of communities in service provision and monitoring of the performance of service providers is vital in planning. This kind of involvement of user departments ensures that procurement planning and decision-making process reflect their needs and priorities and lead to the types of decisions that will make an effective services delivered in an open, fair and democratic service delivery, Onyango, (2014) and according to PPDA Act 2003 as Amended 2014, user departments input with technical evaluation of bids received as required.

### **2.1.4 End User Satisfaction**

Nothaft (1999) states that the end-user as an individual who wants and will benefit from the purchase. End-user involvement is further defined as a state of mind that motivates end-users/ consumer to identify with product/service offerings, their consumption patterns and consumption patterns and consumption behavior. It is the amount of physical and mental effort that a consumer puts into a purchase decision. As Lavassani, Movahedi, Kumar, (2009) puts it that "Involvement is a heightened state of awareness that consumers to seek out, attend to, and think about product information prior to purchase".

Lema, (2009), noted that an end user as an individual who wants and will benefit from the purchase. The responsibilities of the end-user include; understanding business purpose essential to all procurement, understanding issues surrounding personal use, understanding conflict of interest and/or conflict of commitment, disclosing any conflict for review by others, use individually assigned p-card if appropriate, submitting request to initiator or preparer with all detail available to end-user: item, amount, preferred vendor, business purpose, and disclosure of potential personal use or conflict of interest.

Saarinen et al, (2008), reveals that, as a result, it is argued for end-user involvement is more a two-edged sword than a unidirectional success concept. For example, on the one hand involvement may lead to a type of task-specific utilization that usually is associated with "doing the job"; on the other hand it may lead to a type of experimentation that often is associated with

"futzing and tweaking". The main point here is that end-user involvement is expected to influence end-users' behavior in a much more comprehensive way than proposed by the present IS-success literature.

According to Hunja (2003), end-users are the drivers for development and practical application of technological advancements. The Key aspect of the methodology is the iterative involvement of end-users, not only as reviewers but also for development process. The ongoing involvement results in new insights that ensure value-creation for end-users and therefore enhances implementation.

The end-user provides unit specific information when that information may be necessary in order to process a procurement request. The end-user becomes involved only when needed by the purchaser. The roles of the end-user include; understanding business purpose essential to all procurement, understanding unit specific requirements, understand restrictions of sponsor and/or donor, (type of expenses not allowed, restricted budget categories), understanding documentation that should be maintained and that printing documents stored electronically is redundant and not cost effective, process request based on knowledge and review of restrictions, applying account information if known and submit request to preparer or approver, (Rotich, 2011).

According to Scottish Government. (2008), end-users usually utilize a number of different software packages and need to socialize them within an organizational context to identify "who can give assistance on which package". As such, all the relationships in the research model have more the qualities of property-disposition relationships than as stimulus-response relationships. Accordingly, the nature of the relationships makes it difficult to meet the third causality requirement, that is, the ability to demonstrate the temporal precedence of the cause.

George et al, (2000), noted that, the end-user's motive for searching after and/or generate related information is connected to the desire to enhance the quality of problem solving and to their aim of being a computer expert. It is possible to consider them both as the main benefits from ongoing search after item's related information. That is, they are driven by the end-user's level of

involvement. An end-user's motive for going into the role as a provider for the coworkers is connected to his self-image as a computer expert.

In the case of purchasing IT equipment, Robey and Farrow (2002) found that every prospective user of a planned IT development has a role to play in the purchasing process. This section indicates the variety of roles to be fulfilled by users at different grades in the user organization. Users in management grades will need to be involved in creating, maintaining and setting conditions in which user representatives and end-users can fulfill their responsibilities in the IT development process. Some users will be formally appointed as user representatives to represent the users' interests on project steering committees, and in project teams.

According to Heikkila (2008), end-users will be involved intermittently in a variety of ways to provide information, assess proposals, evaluate products of the project team, etc. The specific responsibilities associated with these varied roles. As in all areas of the purchasing process, the attitude of the end-user will permeate the whole organization. It is crucial for effective user involvement that a positive and proactive view of the user role is re-elected throughout the organization is observed, (Damodaran & Eason, 2002).

Nothaft (2009) observed that, the responsibility for production of this document lies with the user, or, more usually, with his/her representative. Production of an appropriately constituted User Requirement requires the user population to mobilize considerable resources in collecting, analyzing and presenting the necessary detailed knowledge. The concept of end-user involvement has several dimensions which have to be considered to have complementary contributions.

Nothaft, (2009), noted that, increasingly globally, end-users are finding themselves 'involved' in the purchasing decision making and projects. This occurs because the organizational culture of the parent organization purports to promote participation, or because structured design methods are being used which require users to play a part. In either case users who find themselves required to participate in IT projects are frequently unclear about what this requires. In most

organizations surprisingly little bring on the users' role in design projects is provided. Users are therefore confused about their brief and concerned about their lack of expertise in computing.

Bienstock and Stafford, (2006), reveals that most entities are increasingly dependent on consumer to become competitive. However, due to more complex and dynamic business conditions and competitive environment, business manager continue to struggle to deliver expected service performance for end user.

### **2.1.5 Measures of End user Satisfaction**

Parasuramet.al, (2005) gave the indicators of end user satisfaction which include; accessibility, reliability, tangibility, responsiveness, and empathy as explained below:

#### **Accessibility**

Failure to have access to the use of facilities will render some goods, works or services to have limitations since they are not used optimally and yet services, goods or works acquired depend on the use of the facilities (Ssemayengo, 2005). Services that are not accessible according to (Parasuram et al 2005) are regarded as being of poor quality and those that can be easily accessible are regarded as high quality services.

#### **Reliability**

This is the probability of works, product or service failing within a specified time period. Among the common measures of reliability are the average time to first failure, the average time between failures and the failure rate per unit time, (Balunywa, 2008). For example if a battery is to give 1.5 volts either in the mornings or evenings. (Kakuru, 2004), on the other hand says this voltage should be 1.5 volts, if it varies, the battery will be unreliable and considered poor by not delivering the required services level required of it.

#### **Completeness**

For (Kakuru, 2004), to perceive a product, works or service, it should contain all the features that satisfy the customers' expectation. It should have all its primary operating characteristics with all

the measurable attributes so as to be ranked as high class service, product or works done (Balunywa, 2008).

### **Timeliness**

Delay in end user satisfaction makes the particular services, product or works to lose the meaning and hence a service should be offered in time before it becomes irritating to the consumer (Ssemayengo, 2005). Services which are delivered in time are said to be of good service, product, works and those that are not delivered in time are said to have poor service.

### **Conformance**

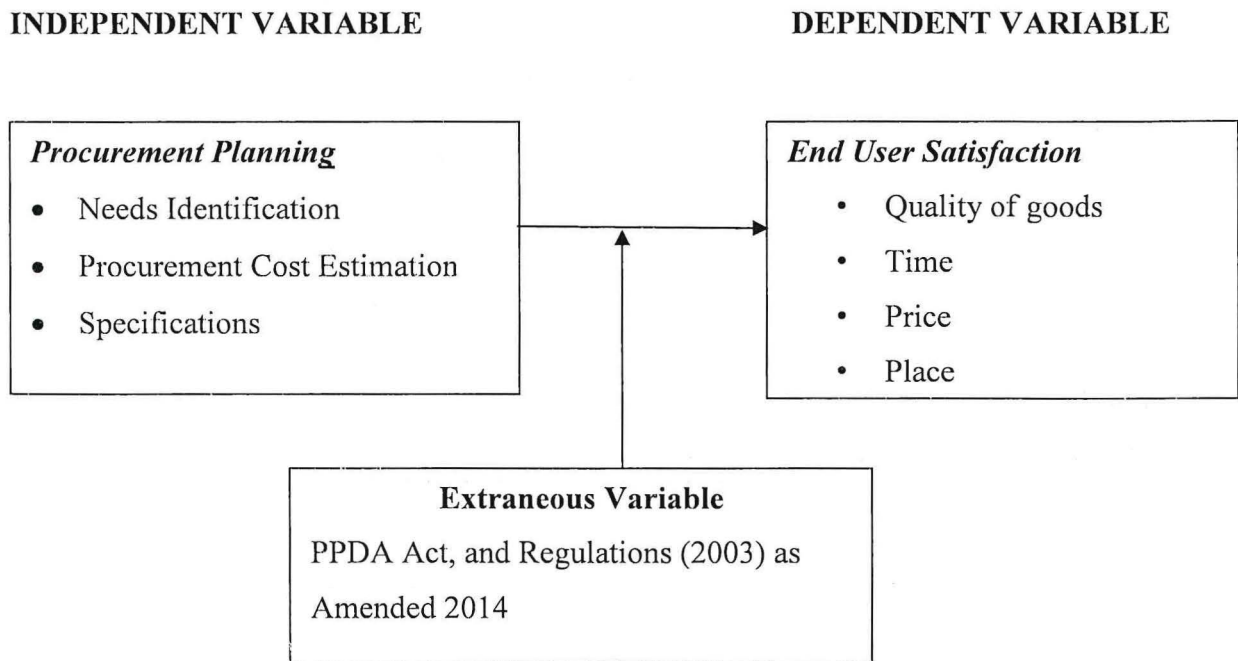
This is the degree to which a service, product or works design and operating characteristics meet established standards. Good service, or product is therefore equated with operation within a tolerance degree (Balunywa, 2008). The question here is that can the service achieve the core purpose for which it is intended? If the service performs as expected and intended it will be considered good service offered.

### **Safety**

How safe is it to use the service, product? Does it protect users before, during and after use? Certain services like roads may be a problem when being used. Some services are also not very safe when being used as they cause harm to users. Services that are not safe to use are considered as poor services and those that are safe to use are looked at as expected or good services (Kakuru, 2004).

## 2.2 Conceptual Framework

Figure 2.5: Showing the Model on Procurement Planning and End User Satisfaction



*Source: Developed basing on Social Science Research (Amin; 2005: Pages 92-95).*

Figure 2.5 above illustrates that procurement planning as the independent variable directly affects the end user satisfaction as a dependent variable. Procurement planning constructs include; Needs Identification, Procurement Cost Estimation and Specification whereas the measures of end user satisfaction shall involve; Quality of goods, Time, Price and Place. However, the extraneous variables that also have similar impact on both the dependent and independent variable that this study shall hold constant are: PPDA Act and Regulations (2003) as Amended 2014

## **2.3 Theoretical Review**

### **2.3.1 Institutional Theory**

Defee et al., (2010) cited in Maurice James Davis (2014) stated that, a good research should be grounded in theory (Mentzer et al., 2008), therefore, this study will be guided by the institutional theory whose traditional approach is used to examine elements of public procurement (Obanda, 2010).

According to Scott (2004), institutions are composed of cultural-cognitive and regulative elements that, together with associated activities and resources give meaning to life. He further explains the three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as enforcement mechanism, with expedience as basis for compliance. The normative pillar refers to norms (how things should be done) and values (preferred or desirable), social obligation being the basis of compliance. The cultural-cognitive pillar rests on shared understanding (common beliefs, symbols, shared understanding). This theory is very important when it comes to the implementation of sustainable procurement planning. This is a matter of organizational culture and the degree to which the prevailing climate in an organization is supportive of sustainability and/or of change in general. In other respects, this dimension includes the extent to which there is support for SP at senior levels in an organization and the degree to which organizational processes and structures support, or retard, the development of SP, (Brammer & Walker, 2007).

Sutinen and Kuperan (1999) propounded the socio-economic theory of compliance by integrating economic theory with theories from psychology and sociology to account for moral obligation and social influence as determinants of individuals' decisions on compliance. According to Lisa (2010) psychological perspectives provide a basis for the success or failure of organizational compliance. Wilmshurst and Frost (2000) also add that the legitimacy theory postulates that the organization is responsible to disclose its practices to the stakeholders, especially to the public and justify its existence within the boundaries of society. This theory, which focuses on the relationship and interaction between a procurement requirements and end users, provides a sufficient and superior lens for understanding public procurement, (Hui et al.,

2011). From this theory, we can understand the procurement planning influences end user satisfaction.

### **2.3.1 Procurement planning starts the procurement process**

According to Basheka (2008), the beginning of the procurement process requires the need for realization and identification of requirements which is done at procurement planning stage. Establishment of the requirement is the foundation for conducting market survey to ascertain aspects such as prices, new products, alternative or substitute products, sources of supply, nature of competition and supply market. All the related processes of procurement depend on how planning has been done.

Currently in Uganda Procurement planning is governed under section 58 of the PPDA Act 2003 as amended 2014, which requires user department to plan for their procurement activities. At times user departments lack the skills of proper procurement planning of requirements needed resulting into under estimation or over estimation the procurement requirements. PPDA Annual report (2013), Creation of the linkage between the expenditure patterns and procurement plans is still lacking in most entities in Uganda.

According to CIPS (2005), successful completion of the procurement depends on how procurement planning is done at the initial stages of the procurement process. The procurement unit consolidates the plan, manage and fully document the process to acquire goods, services and works. It's important to ensure that procurement meets programme requirements .The procurement unit must understand its role and roles of all other stake holders to effectively prepare the consolidated procurement plan in order to ensure smooth and orderly co-ordination of planned activities. Australian Government (2015), Procurement plans help to identify the needs which form the basis of procurement action. Procurement Planning is important to determine the objectives of the procurement requirement, detail clear scope of requirements. Researching about the capabilities of the products is vital in procurement planning.

According to Asakeya (2014), Procurement Planning is essential since it begins the procurement cycle furthermore there may be delays outside the control of the entity .Little

preparation and no procurement planning may result in the entire team waiting for the missing goods and services. It is essential when making procurement plans that all necessary information is available during the planning process. Planning is the most essential part of the procurement process. A procurement plan involves identification, and assessment of the need for procurement, the methods to be used in the procurement process, how much to procure, where to procure from and when to undertake the procurement. All processes and activities that follow after planning have a basis on procurement planning. It provides guide on how to implement a particular activity.

#### **2.4 Needs Identification in Procurement Planning**

Procurement Planning entails the identification of what needs to be procured, how the organizations needs can best be met, the scope of the goods, works or services required, what procurement strategies or methods to be deployed, setting the time frames, and the accountability for the full procurement process. According to Kakwezi, P. and Nyeko, S. (2008) cited in Onyango (2014), Needs Identification is “a systematic process for determining and addressing the needs, or gaps between current conditions and desired conditions or wants. This is important in procurement; because it is an effective tool to identify appropriate interventions or solutions by clearly identifying the problem to ensure that finite resources (Prior Budget appropriations) are directed towards developing and implementing a feasible and applicable solution for identified projects.

In a report by Lysons & Farrington, (2006), singled out non-adherence to procurement methods as a major impediment to public procurement development. They however did not specify the stage of procurement where this happened. In as much as the above studies highlight the core role of proper need Identification as a foundation for an effective procurement, they fail in bringing to the fore the link between need Identification and institutional performance. Recent theorists also point to the importance of public administration as a moral and ethical concern and recognize that administrative action is permeated by moral choices and are therefore models of not only technical and professional competencies but also of moral behavior, (Ambe & Badenhorst-Weiss, 2011b).

## **2.5 Specification in Procurement**

According to Andrea, (2009), quality is defined using five different approaches namely; the transcendent approach; the product-based approach; the user-based approach; the manufacturing-based approach; and the value-based approach. The transcendent approach equates quality with Innate excellence: The product-based approach defines quality as a sum or weighted sum of the desired attributes in a product: The user-based approach identifies a high quality item as one that best satisfies consumer needs or wants and according to the PPDA Act (2003) as Amended 2014, Reg. 30, a common specification standard shall be selected taking into account the nature of the procurement requirement and the anticipated location.

Cousins, Lamming, Lawson & Squire (2008), defined service quality as a measure of how well the service level delivered meet customer expectations. A common definition of service quality is that service should correspond to the requirements, (Edvardsson, 2008). Despite rigorous academic debate and attention to issues related to understanding service quality from an external customer's perspective, research on the procurement needs domain is relatively new, (Gremier et al. 2004).

Emeka, Ezeh, Fnse (2010), contends that specification is an integral part of the procurement function. Without a quality specification the process can be filled with pitfalls and obstacles for the purchasing department. He lists the characteristics of a good specification as follows; identifies the minimum requirements of the end user, allows for a fair and open procurement process, provides for testing/inspection to insure the goods/services received meet the standard set forth in the specification and provides equitable award at the lowest possible cost.

## **2.6 Cost Estimation and Forecasting in Procurement**

According to the PPDA Act (2003) as Amended 2014, purchases must be economical and efficient. This means that they should be based on market prices and should be able to generate saving. It also means that bad practices such as irresponsible procurement leading to wastage, wear and tear of stocks, over invoicing, unplanned expenditure, shortage of goods when needed, poor quality products and similar factors to be avoided where the Procurement Plan (PP) must be integrated into the budgetary processes based on the indicative or approved budget. The PPDA

Act further indicates that the Procurement and Disposal shall be initiated or continued on the confirmation of funding in full amount over the required period, Is available or will be made available at the time the contract commitment is made.

The budgets as well as the procurement plan are to be based on realistic cost estimates derived from the market research database which is to be compiled and updated regularly by the procurement unit in line with regulations, PPDA Act (2003) as Amended 2014, Costs are one of the factors that are concerned with the customer perspective.

The price is not seen as the only parameter for costs. Other issues that are involved are ordering and delivering arrangements, paying for materials and storing the materials to mention a few. The customer might choose the more expensive supplier knowing that the delivery will be defect free. That's why, taking the customer's perspective is crucial for the organization to succeed. (Kaplan & Norton 1992) According to the Judiciary Strategic Plan (2012-2016), it intends to institutionalize results-based budgeting, and establish a financial management and accountability capacity so as to meet regulatory standards and customer needs. Specifically, the Judiciary plans to develop and operationalize value-for-money standards, trails and indicators for forensic audit, train procurement committees at the devolved units; and develop an annual procurement unit. In a 2007 Baseline survey of prices of common user items it was found that PE were buying at an average of 60% above the prevailing market price, (Aketch & Karanja, 2013).

## **2.7 Effect of procurement planning on End –User Satisfaction**

If rapid or important technological social, economic legal or other environmental changes are occurring well defined and precisely charted courses of action are more likely to hinder an organization's performance than help it. When environmental uncertainty is high, specific plans have to be altered to accommodate the changes-often at a high cost and decreased efficiency (Kemei, 2013).

The procurement planning challenges encourage organizations to carryout purchase market research. Just as other types of research, purchasing market research will not reduce the risks related to decision making. However it makes these risks more visible and transparent (Weele,

2000) Therefore making it easy for the organization to curb these challenges and therefore increase organizational performance.

In Uganda public sector procurement planning is highly driven by the desire of securing higher budget allocation from both national and international sources (Arrow et al., 1995) as a result;

- There is a higher emphasis on securing maximum budget allocation that leads to inflation of material requirement.
- There will be a rush of procurement activities towards the end of the budget year driven by the desire to fill budget utilization and leading to a significant volume of wastage and Disposal caused by over procurement of items.

The consequences of poor or lack of procurement planning can therefore never be amusing. The world Bank Country Procurement Assessment Report (2004) summarized these consequences as;

- Procurement failing to timely meet the actual needs of the procurement department
- Advantages of scale and bulk purchasing are not achieved
- Packaging and timing are not utilized to achieve value for money

### **Planning and performance**

According Coulter (1999), managers and organizations that plan operate better than those that don't. Intuitively, you would expect the answer to be a resounding yes. The quality of planning process and the appropriate implementation of the plans probably contribute to high performance than does the extent of planning. Finally, in those studies in which formal planning didn't lead to higher performance, the environment was the culprit. Governmental regulations powerful labor unions and similar environmental forces constrain managers' options and thereby reduce the impact of planning on organizational performance, (Amaratunga & Baldry, 2002).

Procurement planning helps the end-users to meet both economic and functional quality requirements which they are unable to utilize through normal commodity market channels, (Dahl and Wilson, 2008). Organizations which do not have procurement planning means in their processes and procedures, experience lower performance and higher customer dissatisfaction and employee turnover, (Oluka, 2014).

Basheka (2004) argues that procurement planning is one of the primary functions of procurement with a potential to contribute to the success of organization operations and improved end user satisfaction. It is a function that sets in motion the entire acquisition/procurement process of acquiring services in organizations.

Procurement Policy Manual (2009), procurement planning drives different expected results which are different from business as usual such as: reduction in the number of overall contract awards, understanding and managing total cost of ownership, more purchasing options (lease vs. buy), data-driven decision making, improved risk mitigation prior to award, more identification of opportunities where suppliers can add value, improved relationships with suppliers which leads to end user satisfaction.

Baily et'al (2008), concluded that end user satisfaction is central to the success of procurement planning and is a significant determinant of the costs to be gained from its adoption. The paper proposed that end user satisfaction is determined by the levels of service delivery achieved by procurement processes. End user satisfaction is an important determinant of process compliance. Further, they have argued that increased compliance is critical to the achievement of both the internal "transaction" costs and external purchase costs benefits so widely acclaimed for procurement planning. The implications of the research are that greater awareness and attention to end user satisfaction are critical for successful procurement planning and implementation.

Procurement planning is an important means to reduce costs and to enhance the competitive advantage by first reaching the needs of the other departments which in turn benefit the end user like an external customer. Procurement is an important internal service found in organizations and can be responsible for a large amount of spending, for example, on material components, facilities, subcontract capacity, equipment and supplies, consumables, stationery, travel, and insurance, (Basheka, B.C. (2009)

## **2.8 Conclusion**

The aim of the above literature is to analyze the studies carried out on procurement planning with a special focus on, need Identification, cost estimation and specification. Nwabuzor (2005) describes a comprehensive procurement performance as a function of an inclusive procurement planning process that analyzes all the variables in a specific environment. Basheka (2004) argues that procurement planning is one of the primary functions of procurement with a potential to contribute to the success of operations and improved service delivery. It is a function that sets in motion the entire acquisition/procurement process of acquiring services. Mullins (2003) asserts that the contribution of procurement planning in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries. In relation to the above discussion, the studies and theories have established the value of, cost estimation, specification and need Identification. They however fail to highlight clear terms and the role of above procurement planning variables on end user satisfaction. Therefore, the study attempting to establish these relationships is more necessary for developing the application of such relationships and performance with a close link to Ministry of Gender, Labour and Social Development.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter presents the methodology that was used during the study. It describes the methods and procedures that were used in order to collect data that answers the research questions. It involved the Research design, study population, sample size and selection, sampling techniques, data collection methods, Data collection instruments, procedure of data collection, Reliability and validity of instruments, Data analysis, measurement of variables, data presentation and analysis and the limitations to the study.

#### **3.1 Research Design**

The study adopted a case study research design because only user departments (end users) as well as management of MGLSD was selected for the study, in order to place more emphasis on a full and in depth contextual analysis of fewer events and their interrelationship, (Yin, 2009). Schindler (2003) defines a research design as a blue print for fulfilling objectives and answers to research questions. The research design expresses both the structure of the research problem and the plan for investigation used to obtain empirical evidence on the relation of the research problem. According to Cooper & Schindler (2008), a case study research design bases on a practical, logical and structured manner of the organisation relating to the area of study. The case study research design is also useful for testing whether a specific theory and model actually applies to phenomena in the real world, Yin, (2012). This involves collecting respondent's views, attitudes and opinions about the effect of procurement planning on end user satisfaction at the Ministry of Gender, Labour and Social Development, (Cooper & Schindler, 2001). Both qualitative and quantitative approaches were applied. While qualitative data was obtained using interview guide to achieve the desired results. According to Creswell et al. (2003), qualitative research helped in getting an in-depth analysis of the problem under investigation and qualitative research was applied in order to describe current conditions and obtain the relationships between the variables while the qualitative method captures a lot of data in a relatively short time.

### 3.2 Study Population

According to Banerjee & Chaudhury (2010) the population refers to an entire group of individuals, events or objects having a common observable characteristic. Mugenda and Mugenda generalize the findings of a study. The population was chosen to delimit the research and gather sufficient data within the time limit and cost. The study was based on a population of 65 employees and service providers of MGLSD.

### 3.3 Sampling size and design

The sample size of 60 employees were selected from a population of 65 employees using Krejcie et al (1970) sample size determination model after which the researcher proportionately divided the population in each department to determine the optimal sample size for the departments. The results are illustrated in the table below:

**Table 3.1: Population and sample size**

Category	Population	Sample size	Sampling technique
Employees in different departments	30	28	Random sampling
PDU staff, CC members & HOD	34	32	Stratified sampling
MGLSD Accounting officer	01	01	Purposive sampling
<b>Total</b>	<b>65</b>	<b>60</b>	

**Source:** Human resource Manual, (2015)

### 3.4 Sampling Technique and Procedure

According to Shahrokh, Dougherty & Edward (2014), Stratification is the process of dividing members of the population into homogeneous subgroups before sampling. The study used stratified sampling technique where the population of the MGLSD was divided into Strata.

The stratified random sampling was used where the total population was not homogenous as is in the case of MGLSD the population was divided into different departments. These departments represent the strata's and each stratum was represented in a sample in a proportion equivalent to its size in the accessible population to ensure that all members of the population had an equal chance of being selected.

Stratified sampling was used because the measurements within strata have lower standard deviation, stratification gives smaller error in estimation and measurements become more manageable and/or cheaper when the population is grouped into strata. The researcher randomly selected the sample proportionately from employees categories shown in table 3.1 above. The selection of the sample from the section was based on a lottery where a list of employees in each section was assigned a random number, put in a container. This is because it is believed that all the target respondents engaged in procurement function at their MGLSD institution and were in a better position to respond to the research questions effectively.

### **3.5 Sources of Data**

The study used primary and secondary data.

#### **3.5.1 Primary data**

Primary data was obtained from the respondents using survey questionnaires and interview guides consisting of closed ended and open ended questions from employees PDU staff and Contracts Committee members respectively. Both the questionnaires and interview guide were used to obtain primary data. This involved one-on-one interviews with the end users and management by the researcher. They also allowed the researcher to clarify ambiguous answers and obtain in-depth information through probing. Open-ended questions were used so that other valuable questions might emerge from the dialogue between interviewer and interviewee. Semi-structured interviews are the most widely used interviewing formats for qualitative research (Amin, 2005). In this study, the probing interviewing tactic was used extensively to obtain a deeper explanation of the issue at hand from the respondents. This is largely due to the fact that the respondents often need stimuli to expand or clarify their own answers and ideas more broadly, so that a broader understanding can be more easily reached later on in the findings of this study. The primary data for this study was collected using questionnaires and interview guide administered to the respondents by the Researcher and Research Assistants.

#### **3.5.2 Secondary data**

This consisted of data that had been written by other scholars in the field of procurement planning and end user satisfaction. This put into account annual reports, procurement reports, bid

documents and other books from the libraries. The researcher thoroughly review these documents to obtain supplementary data to that provided by the respondents,(Jaya et.al, 2013 ).

### **3.6 Data Collection Instruments**

Researchers prefer using methods that provide high accuracy, generalizability and explanatory power, with low cost, rapid speed and maximum management demands and administrative convenience, (James, Waring, Coe, and Hedges, eds. 2012). Basing on this fact, this study was conducted primarily through the use of questionnaires document analysis and interviews schedules.

Research instruments or measurement scales simply mean devices for measuring the variables of interest. They can be in the form of questionnaires comprising single items (questions), batteries of single items or scales of items which can be scored. They could also be in the form of observational schedules, structured diaries or log books or standard forms for recording data from records (Bowling, 2002).

#### **3.6.1 Semi Structured self Administered Questionnaire**

The questionnaire made it possible to obtain a wide variety of responses and to draw more reliable conclusions from the responses. Questionnaires facilitate easy and quick derivation of information within a short time ( Bird,2009 ). The questionnaire contained both open and closed ended questions. The structured questionnaire was used to collect data from the respondents. Both open-ended and closed-ended items were used. Questionnaires were administered to the employees without administrative responsibilities.

According to Nigel Mathers and Amanda Hunn,(2009), questionnaires are valuable tool for collecting a wide range of information from a large number of respondents. Amin (2005), confirm that carefully designed questionnaires easily answer research questions. The researcher ensured that each item in the closed ended questionnaire is fine-tuned to address a specific objective as well as the research question in the entire research process and the responses were arranged on a five-point Likert scale, where 5 means 'strongly agree', 4 means 'agree', 3 means neutral, 2 means 'disagree', 1 'strongly disagree' with the assertion. This enhanced simplicity

where straight forward answers are required. The questionnaires were hand delivered to respondents and collected within an agreed upon time frame.

The researcher settled and make formalized questions for the respondents. They were collected by the researcher for presentation and analysis. The questions were self administered with objective questions that were addressed to staff and contract committee members. The reason for using questionnaires is because it's more convenient for both the researcher and the respondent because it gave room for respondents to analyze the information.

### **3.6.2 Interview Guide**

The interview schedule was prepared and used to collect qualitative in-depth data. The interview schedules provide the researcher with greater opportunity to explain the purpose of the study (Bryman A., 2015). The interview schedule was administered to the administrators and judicial officers. Also interviewing gives an opportunity for triangulations to supplement data elicited by questionnaires thus providing more information for the study. It served as a follow-up to supplement and eliminated the shortfalls of the questionnaire. The designed structured interview schedule was moderated by the help of friends and supervisors. Apart from supplementing and eliminating the shortfalls of the questionnaire, data collected explained the reasons behind the responses given.

An interview guide (Appendix: 2) was used to collect qualitative data from the heads of departments and the Accounting Officer who are in position to provide in-depth information through probing during the face-to-face interview, (Easwaramoorthy & Fataneh Zarinpoush, 2006). The researcher presented questions to the respondents and their views were written down and or recorded. Data obtained during the interview was supplemented with that obtained through the questionnaires. This helped the researcher to achieve the first hand information by using the interview guide.

### **3.7 Data Collection Procedure**

Data for this study was collected from both primary and secondary sources. A descriptive approach was applied to collect primary data by the use of structured/ closed ended questionnaires and interview schedules from the selected respondents on their view on the effects

of the Procurement planning on end user satisfaction. Secondary data was mainly sourced from the library and records and journal within the MGLSD. The researcher sought permission from the relevant authorities to contact the study. Upon visiting the departments, the researcher before carrying out the study, obtained permission from the head of departments/units at the Ministry. The researcher arranged an appointment with the relevant officers to be interviewed. The researcher herself administered the instruments to all the respondents.

### **3.8 Validity and Reliability of the Instruments**

#### **3.8.1 Validity**

Validity refers to the extent to which research results were accurately interpreted & Generated to other populations. Research tools first prepared, and then presented to the supervisors who check on their correctiveness. The supervisors' comments were used to improve the questionnaire by eliminating all errors. Pretesting of questionnaires also was done by administering questionnaires to 10 respondents within the target population but outside the sample this helped to identify the gaps and aids to make modifications accordingly. The researcher ensured that relevant questions are relevant in order to have meaningful and reliable results represented by variables in the study, (Sullivan, 2011) and Heale, 2015).

The researcher used the formula below to establish validity of the research tool;

$$\begin{aligned} \text{Content Validity Index (CVI)} &= \frac{\text{Agreed items by all judges}}{\text{Total Number of items judged}} \\ &= \frac{30}{33} \\ &= \mathbf{0.91} \end{aligned}$$

The overall CVI of the questionnaire is 0.90. This is over and above the average of 0.70 for the instrument to be accepted as valid, (Amin, 2005).

#### **3.8.2 Reliability**

Reliability is the measure of the degree to which a research instrument yields consistent results after repeat. Cronbach's Alpha coefficient was used to measure reliability of the instrument. According to Amin (2005) an alpha of 0.5 or higher is sufficient to show reliability the closer it is to 1 the higher the internal consistency in reliability, (Sekaran, 2003). The questionnaires was

pretested using respondents within MGLSD and reliability was computed using statistical Package for Social Scientists (SPSS) and scores were evaluated as below;

**Table 3.2: Reliability Statistics**

**Table 3.3: Cronbach’s Alpha coefficients for the variables under study**

Variables	Anchor	Cronbach Alpha Coefficient	Content Validity Index
Procurement Planning	5Point	.65	.88
End User Satisfaction	5point	.78	.73

*Source:* Primary data

Table 3.2 above shows that both the Cronbach Alpha and the Content Validity Index are above 0.500, meaning that the research instruments used are both valid, reliable and therefore are fit to use to collect data on the study variables so as to address the research questions.

To ensure reliability of quantitative data, the Cronbach’s Alpha Reliability Coefficient for Likert-Type Scales test will be performed. In statistics, Cronbach’s alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees. According to Sekaran (2003) some professionals as a rule of thumb, require a reliability of 0.70 or higher (obtained on a substantial sample) before they use an instrument. Upon performing the test, the results that were above 0.7 were considered reliable.

### **3.9 Data Analysis and Presentation**

#### **3.9.1 Quantitative Data Analysis**

Data collected from the field was processed, coded and entered in a Special Package for Social Sciences (SPSS), where frequency tables were extracted for analysis. Pearson correlation coefficient and regression analysis was used to determine the extent to which procurement planning affects end user satisfaction. Inferential statistics were used to answer the research questions. Tables, Trend Line, Graphs and charts with relevant percentages, means, standard deviation and variance provided a quick snap shot at the current situation of the Ministry by presenting the structures in the assets, liabilities and incomes (Tewksbury, 2009).

### **3.9.2 Qualitative Data Analysis**

Data will be categorized under different themes and sub-themes using critical judgmental approach. This kind of data was interpreted by explanations and substantiated using open responses from the field, (Matthew, Miles, Huberman & Johnny Saldaña, 2013). While analyzing qualitative data, conclusions were made under different themes and inter-related to ascertain the relationship between procurement planning and end user satisfaction.

### **3.10 Measurement of variables**

The items in the questionnaires were linked to a 5 point Likert scale ranging from strongly disagree (1) to strongly agree (5). This helped the respondents to rate their responses against given items on the various measures procurement planning was measured using Likert Scale which ranges from strongly disagree (1) to strongly agree (5). This was adapted from the work of Duflo and Saez (2003) and Chen and Volpe (1998) and (Tewksbury, 2009).

### **3.11 Limitations of the study**

Like any other research, the study is not without limitations and these are:

The research covered primarily public entities. However, the analysis and findings were related to other public institutions across the country. Selecting and contacting only in MGLSD was not true representation of the views of all entities Uganda.

Yet the choice of sampling technique, purposive sampling, makes generalization of the findings problematic although it is said that there is no one best sampling strategy because which is best depended on the context in which the researcher was working and the nature of research objective.

The research used close-ended questionnaire for data collection and this had a weakness of limiting the amount of data collected. There was a likelihood that relevant data could not have been captured because of the use of close-ended questionnaire.

## CHAPTER FOUR

### PRESENTATION, INTERPRETATION AND ANALYSIS OF RESULTS

#### 4.0 Introduction

This chapter focused on presentation, analysis and interpretation of the study findings from both primary and secondary data in bid to answer the research objectives in chapter one. For each research question, data is descriptively, qualitatively and quantitatively presented; finally, interpretation of results followed.

#### 4.1 Response Rate

The researcher distributed 70 questionnaire forms of which 50 were fully answered and returned. Unstructured interviews were also administered among 10 respondents. The overall response rate was 85.7%. According to Mugenda & Mugenda (2003), a response rate above 70% is very good and sufficient for the study results to be valid.

#### 4.2 Background Information

In order to find out about the procurement methods and plans used at the MGLSD, questions 1-2 were administered and the following was revealed.

##### 4.2.1 Procurement Methods

**Table 4. 1: The Procurement Method(s) involved in at MGLSD**

The Procurement method(s)	n	Minimum	Maximum	Mean	Std. Deviation
Open Domestic Method	60	1	5	4.23	.67
Restricted Domestic Bidding	60	1	5	4.72	.69
Quotation Method	60	1	5	4.82	1.29
Direct Method	60	1	5	4.72	.54
Micro Method	60	1	5	4.59	.49

*Source: Primary data, (2016)*

Table 4.1 shows responses as to whether Open Domestic Method as a method of procurement was used at MGLSD (Mean=4.23, S.D=.67). This means that Open Domestic bidding allows MGLSD to bid on goods in an open competition or open solicitation manner. Open tendering requirements call for an Entity to: advertise locally, have unbiased and coherent technical

specifications, have objective evaluation measures, be open to all qualified bidders, Be granted to the least cost provider who is technically compliant.

*Interview results held on 20<sup>th</sup> Sept, 2016 with the Accounting Officer for MGLSD revealed that,*

*“The Open Bidding Method can be used for procurement of supplies and non-consultancy services irrespective of the value of the procurement”. He added that, the Procurement Method Threshold in UGX Open Bidding >500 Million for works, >200 for Supplies and Non Consultancy Services. Arguably, the open tendering method of procurement encourages effective competition to obtain goods with an emphasis on the value for money. However, considering this is procedures based methods a lot of procurement experts feel that this method is not very suitable for large or complex acquisitions due to the intense focus on the output process instead of stringent obedience to standards.*

The study also asked respondents to comment on whether Restricted Domestic Bidding was used at the MGLSD (Mean=4.79, S.D=.69). This implies that unlike open tendering, restricted tendering only places a limit on the amount of request for tenders that can be sent by a supplier or service provider.

*Interview with one Head of Department (Mr. Kigenyi Benon) held on 21<sup>st</sup> September 2016, where she said that,*

*“Because of this selective process, restricted tendering is also sometimes referred to as selective tendering. He adds that just like open tendering, restricted tendering is considered a competitive procurement method, however, the competition is limited to agencies that are invited by the procuring team. According to him, Restricted Bidding:  $\geq 200$  Million to  $< 500$  Million for works,  $\geq 100$  Million to  $< 200$  Million for Supplies and Non Consultancy Services, Consultancy Services Selection Method Threshold in UGX Request for Proposals (RFP) with Expression of Interest  $\geq 200$  Million Request for Proposals (RFP) without Expression of Interest  $\geq 50$  Million.*

*In an Interview with another Head of Department held on 21<sup>st</sup> September 2016 revealed that,*

*To Open International bidding. (1) Open International bidding is the procurement method which is open to participation on equal terms by all providers, through advertisement of the procurement opportunity and which specifically seeks to attract foreign providers. (2) Open international bidding is used to obtain the maximum possible competition and value for money, where national providers may not necessarily make this achievable. Restricted domestic bidding. (1) Restricted*

*domestic bidding is the procurement method where bids are obtained by direct invitation without open advertisement. (2) Restricted domestic bidding is used to obtain competition and value for money to the extent possible, where the value or circumstances do not justify or permit the open bidding procedure*

From table 4.1 above, respondents provided their opinion on whether Quotation Method was used at MGLSD (Mean=4.82, S.D=1.29). This implies that the quotation method is a simplified procurement method which compares price quotations obtained from a number of providers. (2) The quotation method shall be used to obtain competition and value for money to the extent possible, where the value or circumstances do not justify or permit open or restricted bidding procedures.

*Similarly, in an Interview with the head of procurement department (Ms. Agnes Katembeko) held on 21<sup>st</sup> September 2016 revealed that, Public Procurement and Disposal of Public Assets [Act 1 of 2003 (3) the quotation method shall be used in works and supplies. She explained that, this procurement method is used for small-valued goods or services. Request for quotation is by far the least complex procurement method available. If you have the option, use this method to ensure a fast procurement process and not a lot of paperwork. There is no formal proposal drafted from either party in this method. Essentially, the procurement entity selects a minimum of at least three suppliers or service providers that they wish to get quotes from. A comparison of quotes is analyzed and the best selection determined by requirement compliance is chosen. The threshold for Supplies and Non Consultancy Services is  $\geq 5$  Million to  $< 100$  Million and works  $\geq 10$  Million to  $< 200$  Million respectively.*

The study also asked respondents to comment on whether Direct Method (Mean=4.72 & S.D=.54). This means that at the MGLSD Direct procurement is a sole source procurement method for procurement requirements where exceptional circumstances prevent the use of competition and Direct procurement is used to achieve efficient and timely procurement, where the circumstances do not permit a competitive method.

Table 4.3 results also revealed that Micro Method was use at MGLSD, (Mean= 4.72, S.D=.69). This method of Micro procurement was used for very low value procurement requirements to achieve efficient and timely procurement where the value does not justify a competitive procedure.

*Interview results indicated that, Procurement methods are the procedures used by the procuring entity (MGLSD) to acquire goods, services and works. These methods can be competitive and non-competitive. There's a preference for using competitive methods of procurement given that they tend to promote transparency, economy and efficiency, and limit favoritism. Heads of departments said that these kinds of methods are followed or implemented as per the requirements of the Public Procurement and disposal of Public Assets Act, 2003), Order, 2014. The threshold for Supplies and Non Consultancy Services is < 5 Million and works <10 Million respectively.*

**4.2.2 Whether Procurement Plans are often not submitted by MGLSD to CC for approval as required by law**

**Table 4. 2: illustrating whether Procurement Plans of MGLSD approved by CC**

<b>Submission of Procurement Plans to CC for approval</b>	<b>n</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Procurement Plans are often not submitted by MGLSD to CC for approval	60	1	5	2.94	.71

*Source: Primary data, (2016)*

In relation to the above, the study also explored Procurement Plans are often not submitted by MGLSD to CC for approval and results on this were (Mean= 2.94 and S.D=.71). This is an indication that the MGLSD had a Contracts Committee responsible for ensuring that before it is approved, procurement is in accordance with the procurement plan.

**4.3 The effect of Needs Identification on End User Satisfaction at the MGLSD**

In bid to obtained the results of the first objective of the study which was to examine the effect of Needs Identification on End User Satisfaction at the MGLSD. Respondents provided their views on the extent of their agreement and disagreement by ticking (√) or circling the appropriate number as provided in the table below:

#### 4.3.1 The effect of Needs Identification on End User Satisfaction at the MGLSD

**Table 4. 3: The effect of Needs Identification on End User Satisfaction at the MGLSD**

	Needs Assessment	N	Minimum	Maximum	Mean	Standard deviation
1	Needs identification has no effect on quality of goods	60	1	5	2.29	0.43
2	Identified Needs delivered have an effect on time	60	1	5	4.91	0.68
3	Specifications of procurement needs are provided on time	60	1	5	3.07	0.59
4	Planning levels affect time and end users	60	1	5	3.86	0.79
5	At Planning level less complaints are received	60	1	5	3.31	0.87
6	Identification of needs has no effect on quantity	60	1	5	3.51	1.24
7	Needs identification affect procurement planning in MGLSD	60	1	5	3.34	1.14
8	Quality specification has no effect on procurement planning	60	1	5	2.41	0.11
9	Cost estimation affects procurement planning	60	1	5	3.90	1.40
10	End users are satisfied with quality of goods delivered	60	1	5	2.12	0.48
11	With good specifications less complaints are got	60	1	5	2.84	0.15
12	Cost estimation has an effect on quality of goods	60	1	5	3.92	1.61
13	Cost estimation affects price set up by end users	60	1	5	3.34	0.53
	<b>Average</b>				<b>3.29</b>	<b>0.77</b>

*Source: Primary Data, (2016)*

According to Table 4.2 above illustrate the overall mean = 3.29; SD=0.77 indicates that Needs Identification at the MGLSD moderately affected on End User Satisfaction).

Table 4.2 above shows responses on the effect of Needs Identification on End User Satisfaction at the MGLSD. Results showed that Respondents agreed with the view that Needs identification

has no effect on quality of goods (mean=2.29 and  $\sigma = 0.43$ ). This means that at the MGLSD, the procurement department had Managers whose need purchased goods or services required for the smooth running of their organization, having undergone through the procurement planning process.

Respondents agreed that Identified Needs delivered had an effect on time (mean=3.91 and  $\sigma = 0.68$ ). The implication of this finding was that Procurement Planning at the MGLSD entailed the identification of what needs to be procured (which is the result of a Needs Assessment), how the organizations needs can best be met, the scope of the goods, works or services required, what procurement strategies or methods to be deployed, setting the time frames, and the accountability for the full procurement process.

*Interview results held on 24<sup>th</sup> September with the head of department revealed that, Needs Identification is “a systematic process for determining and addressing the needs, or gaps between current conditions and desired conditions or wants. This is important in procurement; because it is an effective tool to identify appropriate interventions or solutions by clearly identifying the problem to ensure that finite resources (Prior Budget appropriations) are directed towards developing and implementing a feasible and applicable solution for identified projects*

Respondents further agree that Specifications of procurement needs are provided on time (mean=3.07 and  $\sigma = 0.59$ ). MGLSD usually expected their requirements to be delivered within the shortest time possible, within the budget confines, procurement method which achieves their expectations than the legally acceptable procurement method.

Respondents further agreed with the statement that Planning levels affect time and end users (mean=3.86 and  $\sigma = 0.79$ ). This means that at the MGLSD, procurement planning process was long and bureaucratic to influence the acquisition of end user need in timely manner.

Findings revealed that Identification of needs has no effect on quantity (mean=3.31 and  $\sigma = 0.87$ ). the implication of this finding is that various procurement items were normally identified with due respect to the respective quantities required in a particular time in an entity or user department.

Furthermore, results indicated that the item that needs identification affect procurement planning in MGLSD (mean=3.51 and  $\sigma = 1.24$ ). This means that without adequate needs identification, procurement planning process cannot be complete and accurate as well.

Table 4.2 results show that respondents generally agreed that Quality specification has no effect on procurement planning (mean=2.41 and  $\sigma = 0.11$ ). This means that identification of needs requires must be backed by clear specifications to enhance the procurement planning process.

The study shows that Cost estimation affects procurement planning (mean=3.9 and  $\sigma = 1.48$ ). This means that almost three quarters of the goods and services need were purchased at the lowest possible cost with some elements of deficit in quality.

It was further found out that End users are satisfied with quality of goods delivered (Mean = 3.98,  $\sigma = 1.161$ ). This meant that product quality & cost was in line with customer expectations and there was will to pay for purchases.

*Interview results indicated that; "Cost-based optimization has a direct financial implication on system performance of finished products provided to the end users at MGLSD. All demands for each product have to be satisfied, sooner or later, during the framework contract execution". It was also revealed that dispatches for payment were done to the departments not finance department directly.*

Further still respondents revealed that with good specifications less complaints are got (Mean = 2.84,  $\sigma = 0.61$ ). This implies that MGLSD took corrective action in the form of drafting proper specifications prior to initiating the procurement process of framework contracts

Results also revealed that Cost estimation has an effect on quality of goods (Mean = 3.92,  $\sigma = 1.61$ ) and finally the study findings revealed that Cost estimation affects price set up by end users (Mean = 3.34,  $\sigma = 0.53$ ) The implication was that most of the respondents were not sure on how to gauge the value for money since procurement prices were higher than market prices

*Interview results with the head PDU (Ms. Agnes Katembeko) revealed that, “The ultimate goal of procurement planning is a coordinated and integrated action to full fill a need for goods, services or works in a timely manner at a reasonable cost. Stake holder involvement is key if you’re to have successful procurement planning. Early and accurate procurement planning is essential to avoid last minute and emergency or ill planned procurement which is contrary to open, efficient and effect consequently transparent procurement. Procurement planning is a cycle and should involve all stake holders not limited to user departments, civil society, suppliers, accounting officers, accounts staff and procurement staff each stakeholder has a role to play”.*

#### 4.3.2 The challenges that affect procurement planning at the MGLSD

**Table 4. 4: The challenges that affect procurement planning at the MGLSD**

Challenges that affect procurement planning at the Ministry		Minimum	Maximum	Mean	Standard deviation
1	Inaccurate Demand management	1	5	4.26	1.08
2	Lack of proper knowledge, skills and capacity	1	5	3.88	0.95
3	Non-compliance with policies and regulations	1	5	4.09	0.68
4	Political interference	1	5	4.76	1.15
5	Rapid developments in technology	1	5	3.67	0.82
<b>Totals</b>				<b>20.7</b>	<b>4.68</b>
<b>Average</b>				<b>4.13</b>	<b>0.94</b>

*Source: Primary data, (2016)*

Table 4.4 above shows that there was Inaccurate Demand management at the MGLSD (Mean = 4.26,  $\sigma = 1.08$ ). This means that poor demand and procurement planning resulting in large deviations and price escalations characterized by poor service delivery, shoddy workmanship in construction work is normally brought by poor procurement planning.

Furthermore the item that, Lack of proper knowledge, skills and capacity was established at the MGLSD, (Mean = 3.88,  $\sigma = 0.95$ ). This meant that poor procurement planning involved

inadequate clarification of roles and responsibilities, poor estimation, poor specification, late delivery and wrong procurement methods due to incompetent staff.

Respondents further agreed with the statement that Non-compliance with policies and regulations (mean=4.09 and  $\sigma = 0.68$ ). This means that Non-compliance with the PPDA act, guidelines and regulations hindered effective implementation of procurement planning at the MGLSD.

Respondents generally agreed Political interference affected procurement planning at the ministry (mean=4.76 and  $\sigma = 1.15$ ). This implies that high procurement plan estimates were put to create room for technocrats to negotiate reduced prices with bidders for their own selfish needs such as a form of corruption and estimates at times don't represent the real picture of the cost of an item.

The study shows that Rapid developments in technology affected effectiveness of procurement planning at the ministry (mean=3.67 and  $\sigma = 0.82$ ). This means that the ministry exhibited poor procurement planning which led to late delivery of items beyond the agreed time lines.

#### 4.3.3 Whether Lack of procurement planning is a major source of operational problems at MGLSD

**Table 4. 5: whether Lack of procurement planning is a major source of operational problems at MGLSD leading to**

	Response		Minimum	Maximum	Mean	Standard deviation
1	A rush in procurement activities	60	1	5	4.34	1.38
	Higher expenditure on procurement activities	60	1	5	3.88	0.35
2	Incorrect specifications of items to be procured	60	1	5	3.62	1.09
3	Under/Over estimation of items to be procured	60	1	5	3.83	1.43

*Source: Primary data, (2016)*

Respondents generally agreed that rush in procurement activities came about because lack of procurement planning is a major source of operational problems at MGLSD leading to (mean= 4.34 and  $\sigma = 1.38$ ). This implies that poor procurement planning leads to poor development of specifications, wrong decisions taken about items to be procured which eventually leads to poor quality goods being delivered.

The study shows that higher expenditure on procurement activities arose due to lack of procurement planning is a major source of operational problems at MGLSD leading to (mean= 3.88 and  $\sigma = 0.35$ ). This implies that selection of the best bidders with the lowest prices were not considered to poor procurement planning which lead to higher costs of items acquired without proper supplier selection.

It was further found out that Incorrect specifications of items procured existed due to Lack of procurement planning is a major source of operational problems at MGLSD (mean=3.62 and  $\sigma = 1.09$ ). The finding shows that failure to submit the plans on time, price variations and lack of publication of the procurement plans prevailed as signs of poor procurement planning.

Respondents generally agreed that Under/Over estimation of items to be procured at the ministry (mean= 3.83 and  $\sigma = 1.43$ ). This implies that there were cost variance between the estimated costs and awarded contract prices due to inadequate procurement planning resulting into domestic arrears as the entity had to spend resources unbudgeted for (deviation of resources meant for other projects).

*Interview results with the CC revealed that, stakeholder engagement is a critical factor in the success of the procurement plan. The over role aim of engagement is to achieve the desired outcomes. The desired outcomes therefore should always be at the fore front of procurement planning. Involves the right people in the design, participation of stakeholders in planning helps to work as a communication tool to any changes that might take place. All stakeholders have to be aligned to participants in needs assessment. Need to ensure the process is responsive to their needs. It's important that people must understand and accept their responsibilities to be accountable for what might go wrong. Planning is a very technical process that requires capacity building and training user departments to understand their roles and obligations*

#### 4.3.4 Relationship between the variables

**Table 4.6: Showing correlation between the effect of Needs Identification on End User Satisfaction at the MGLSD**

		<b>Needs Identification</b>	<b>End User Satisfaction</b>
<b>Needs Identification</b>	Pearson Correlation	1	.246(**)
	Sig. (2-tailed)		.000
	N	60	60
<b>End User Satisfaction</b>	Pearson Correlation	.246(**)	1
	Sig. (2-tailed)	.000	
	N	60	60

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

**Source: Primary data**

The relationship between Needs Identification on End User Satisfaction at the MGLSD is statistically significant since .000 is less than 0.05(95% confidence level). The table shows that there is a positive relationship between Needs Identification and End User Satisfaction at the MGLSD because the two variables are moving in the same direction (Pearson (r)= .246\*\*) sig value P(value) being 0.01>.000,N is the sample size (60)with a sig value .000 meaning that the relationship between Needs Identification and End User Satisfaction at the MGLSD is statistically significant since .000 is less than 0.05(95% confidence level).This would imply that as Needs Identification is improved the End User Satisfaction at the MGLSD would also be enhanced.

#### 4.3.5 Attributes of poor procurement planning at the MGLSD

**Table 4. 7: Attributes of poor procurement planning at the MGLSD**

Attributes of poor procurement planning at the MGLSD	n	Minimum	Maximum	Mean	Std. Deviation
Incorrect packaging for procurement activities	60	1	5	3.84	.75
Inappropriate selection of procurement methods	60	1	5	4.13	.67
Over estimation of procurement packaging	60	1	5	3.76	.69
Under estimation of procurement packaging	60	1	5	3.86	1.29
Procurement planning helps in resource allocation.	60	1	5	3.25	.69
Procurement planning helps to achieve value for money.	60	1	5	3.59	.49
Poor procurement plan leads to big budget deficits Procurement planning results into compliance to set procedures.	60	1	5	3.75	.67
<b>Total</b>				26.18	5.21
<b>Average</b>				3.74	0.74

*Source: Primary data, (2016)*

From table 4.6 above, Respondents generally agreed that Incorrect packaging for procurement activities prevailed at the Ministry (mean= 3.84 and  $\sigma = 0.75$ ). This implies that procurement planning is the only tool that analyses expectations of user department in line with the type of product that is being bought and must be brought on board.

The study shows that Inappropriate selection of procurement methods existed at the Ministry (mean= 4.13 and  $\sigma = 0.67$ ). This implies that delivered within the shortest time possible, within the budget confined, users to choose a procurement method which achieves their immediate expectations than the legally acceptable procurement method.

It was further found out that over estimation of procurement packaging (mean=3.76 and  $\sigma = 0.69$ ). The finding means that User departments in most cases quickly want procurement without regarding the legal timeliness and proper planning procedures creating emergency procurements at the MGLSD.

Respondents generally agreed that under estimation of procurement packaging (mean= 3.86 and  $\sigma = 1.29$ ). This implies that procurement Planning helped to see how much time things will take based on past experience and given that there are uncertainties, expectations of what is feasible or achievable are studied and expectations are managed at that level of procurement planning.

The study shows that Procurement planning helps in resource allocation at the MGLSD (mean= 3.25 and  $\sigma = 1.69$ ). This implies that it allows planners to determine if expectations are realistic particularly the expectations of the requesting departments which usually expects quick delivery of requirements.

It was further found out that Procurement planning helps to achieve value for money (mean=3.59 and  $\sigma = 1.46$ ). The finding implies that Procurement Planning creates purchasing strategies helps the MGLSD to choose a method that brings the best quality product at the lowest possible cost.

It was further found out that Poor procurement plan leads to big budget deficits Procurement planning results into compliance to set procedures (mean=3.75 and  $\sigma = 1.67$ ). The finding means that order to minimize total procurement costs there by creating flexibility to adopt new procurement strategies to handle each procurement requirement.

*Interview with PDE executives had this to say, "A complete specified procurement plan may help in the optimal utilization of resources at the time is generated. Also asserts that it is important to choose a strategy that will achieve optimal resource utilization"*

#### **4.4 The extent to which Procurement Cost Estimation affects End User Satisfaction at the MGLSD**

In bid to elicit data about the extent to which Procurement Cost Estimation affects End User Satisfaction at the MGLSD. Respondents provided data on each of the statement, to the extent to which they "SD"-strongly disagree' (1), "D"-Disagree (2), "N"-Neutral (3), "A" Agree (4), to SA-Strongly Agree (5). Data is presented in the following table;

**Table 4.8: the extent to which Procurement Cost Estimation affects End User Satisfaction at the MGLSD**

	<b>Statement on the extent to which Procurement Cost Estimation affects End User Satisfaction at the MGLSD</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Standard deviation</b>
1	Inappropriate selection of procurement methods	60	1	2	4.26	0.61
2	Over estimation of procurement packaging	60	1	3	4.83	1.06
2	Under estimation of procurement packaging	60	1	4	4.48	0.59
3	Procurement planning helps in resource allocation.	60	1	4	4.89	1.43
4	Procurement planning helps to achieve value for money.	60	1	5	4.91	0.68
5	Poor procurement plan leads to big budget deficits Procurement planning results into compliance to set procedures.	60	1	5	4.07	0.69
	<b>TOTAL</b>				<b>21.44</b>	<b>5.06</b>
	<b>Average mean</b>				<b>3.57</b>	<b>0.84</b>

*Source: Primary data, (2016)*

Respondents were asked to the extent to which Procurement Cost Estimation affects End User Satisfaction at the MGLSD. Findings from table 4.3 revealed that:

Results from table 4.8 above indicate that respondents agreed that inappropriate selection of procurement methods, affects end user satisfaction at MGLSD (mean = 4.26 and  $\sigma = 0.61$ ). Procurement planning helps in choosing the best procurement method to be used at the ministry allowing aggregation of requirements across departments thus simplify the tendering process leading to reduced procurement and bidding costs as well as creating a win –win situation for all stakeholders.

In table 4.8 above, respondents agreed the view that over estimation of procurement packaging prevailed at MGLSD (mean= 4.83 and  $\sigma = 1.06$ ). This means that prices were not within the acceptable budget due to failure to conduct market price survey during the procurement planning

process to make sure that the price are within the expected price ceiling. Hence weak planning attributed to this price escalation.

Table 4.8 illustrates that under estimation of procurement packaging, prevailed at the MGLSD (mean = 4.48 and  $\sigma = 0.59$ ).the implication of this finding is that Failure to prepare the procurement plans led to non-compliance to the law making MGLSD not to achieve the real objective of high quality goods, services and works at the best optimal price.

Results in table 4.8 reveal that Procurement planning helps to achieve value for money, (mean= 4.89 and  $\sigma = 1.43$ ). This means that then ministry was able to ensure that the number of items needed are the exact in number meaning that inventory levels matched placed orders. Thus preventing delivering of items undesired for the entity.

Respondents agreed that Poor procurement plan led to big budget deficits, (mean= 4.91 and  $\sigma = 0.68$ ).this means that the expenditure patterns and procurement plans were still lacking at the MGLSD where the PDU, PDE another Stakeholders could not effectively prepare the consolidated procurement plan to ensure smooth and orderly co-ordination of planned activities. The high procurement plan estimates were created for technocrats to negotiate reduced prices with bidders for their own selfish needs which is a form of corruption.

*One of the Interviewees suggested that high procurement estimates required strong earlier partnerships with suppliers involvement which builds trust and confidence amongst the suppliers to provide information concerning price of the item and specifications needed for the item. He adds that, when suppliers are involved they advise on the best method to deliver the best price. an alliance is where the buyer and supplier agree to work together for a long term objective. Procurement planning is one area where planning is very vital. Supplier Alliance assumes collective responsibility and takes collective ownership of all risks and opportunities.*

**Table 4.9: Showing Correlation between Procurement Cost Estimation affects End User Satisfaction at the MGLSD**

		<b>Cost Estimation</b>	<b>End User Satisfaction</b>
<b>Cost Estimation</b>	Pearson Correlation	1	.276(**)
	Sig. (2-tailed)		.000
	N	60	60
<b>End User Satisfaction</b>	Pearson Correlation	.276(**)	1
	Sig. (2-tailed)	.000	
	N	60	60

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

**Source: Primary data**

The relationship between Procurement Cost Estimation and End User Satisfaction at the MGLSD is statistically significant since .000 is less than 0.05(95% confidence level). The table shows that there is a positive relationship between Procurement Cost Estimation and End User Satisfaction at the MGLSD because the two variables are moving in the same direction (Pearson (r)= .276\*\*) sig value P(value)  $P < 0.05 = 0.000$ , N is the sample size (60) with a sig value .000 meaning that the relationship between Procurement Cost Estimation and End User Satisfaction is statistically significant since .000 is less than 0.05(95% confidence level). This would imply that as use of Procurement Cost Estimation improved, the and End User Satisfaction would also be enhanced therefore Cost Estimation should be improved to enhance and End User Satisfaction.

#### 4.5 The influence of Specification of goods on End User Satisfaction at the MGLSD

**Table 4. 10: The influence of Specification of goods on End User Satisfaction at the MGLSD**

	Statement on Specification of goods on End User Satisfaction	N	Minimum	Maximum	Mean	Standard deviation
1	There is end User involvement in the specification of goods, services and works at the MGLSD	60	1	5	4.12	0.48
	The user department drafts specification for their requirement within quality standard measures.	60	1	5	4.97	0.72
2	The type of item to be procured affects the specification	60	1	5	4.59	0.57
3	The type of item will determine the procurement method to be applied hence the specification should be very clear to give maximum achievement of the quality that the user department requires.	60	1	5	4.54	1.24
4	Financial capacity of the MGLSD affects the specification thus affecting the procurement plan	60	1	5	4.92	1.45
5	MGLSD is financially stable to procure items which are termed as necessities	60	1	5	2.31	1.61
6	Absence of accountability that creates uncertainty	60	1	5	4.98	1.14

*Source: Primary data, (2016)*

Table 4.10 above reveals that there is end User involvement in the specification of goods, services and works at the MGLSD, (mean= 4.12 and  $\sigma = 0.40$ ). This implies that departments at the Ministry were fully empowered to develop specifications of their procurement needs.

The table above indicated that the user department drafts specification for their requirement within quality standard measures, (mean=4.97 and  $\sigma = 0.72$ ). This implies that procurement items were ordered for having specifications attached to the orders for the suppliers to consider.

The study findings from table 4.10 above indicate that the type of item to be procured affects the specification, (mean= 4.59 and  $\sigma = 0.57$ ). This implies that whenever end users failed to properly

specify their procurement needs, substandard products, services and works were delivered by contractors.

Table 4.8 results indicated that the type of item will determine the procurement method to be applied hence the specification should be very clear to give maximum achievement of the quality that the user department requires, (mean = 4.54 and  $\sigma = 1.24$ ). This implies that poor specifications are brought about by poor procurement planning that lead to delivery of items not needed.

The findings indicated that Financial capacity of the MGLSD affects the specification thus affecting the procurement plan, (mean=4.92 and  $\sigma = 1.45$ ). This implies that MGLSD had procurement funds though they were limited for only planned procurements that create value for and meet the agreed standards.

Results in table 4.10 reveal that MGLSD is financially stable to procure items which are termed as necessities, (mean= 2.31 and  $\sigma = 1.61$ ).The implication of this finding is that the ministry was under funded to only allow procurement planning that permits proper specification for delivery of quality items.

Respondents agreed that absence of accountability that creates uncertainty, (mean= 3.98 and  $\sigma = 1.14$ ).The finding implies that MGLSD needs were not well identified and estimated ,unrealistic budgets coupled with inadequacy of skills of procurement staff tended to cause price variations in planned items and failure to trace clarity on specifications and desired outcomes.

*Interview held with the PDU staff indicated that; staff normally ensured procurement decisions are systematically arrived at during procurement planning. This helped the entity adhere to a clear process that enhances all goods procured correspond with what is planned .the PDU, PDE and users departments collaborate at MGLSD to ensure that the right quantities are delivered. MGLSD having a good procurement plan enabled it to make clear specifications to guide suppliers on how to deliver the best product. These Proper specifications are built at the time of procurement planning they added that the role of stakeholders in procurement planning done by competent people during the planning helped to ensure that*

*sufficient suppliers obtain accurate information in order to participate in the process and maintains the principle of competitive advantage.*

**Table 4.11: Showing Correlation between the influence of Specification of goods on End User Satisfaction at the MGLSD**

**Correlations**

		<b>Specification of goods</b>	<b>of End User Satisfaction</b>
<b>Specification of goods</b>	Pearson Correlation	1	.318(**)
	Sig. (2-tailed)		.000
	N	60	60
<b>End User Satisfaction</b>	Pearson Correlation	.318(**)	1
	Sig. (2-tailed)	.000	
	N	60	60

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

**Source:** Primary data

The relationship between Specifications of goods on End User Satisfaction at the MGLSD is statistically significant since .000 is less than 0.05(95% confidence level). The table shows that there is a positive relationship between Specification of goods on End User Satisfaction at the MGLSD because the two variables are moving in the same direction (Pearson (r)= .318\*\*) sig value P(value)  $P < 0.05 = .000$ , N is the sample size (60) with a sig value .000 meaning that the relationship between Specification of goods and End User Satisfaction at the MGLSD is statistically significant since .000 is less than 0.05(95% confidence level). This would imply that as specifications are improved the End User Satisfaction would also be enhanced therefore Specification of goods should be improved to enhance End User Satisfaction.

#### 4.5.1 Regression coefficient model

**Table 4.12: Showing Regression coefficient model**

Linear model	Unstandardized coefficient		Standardized coefficient	T	Sig.
	B	std. Error	Beta		
(constant)	26.188	12.248		2.138	.122
End user satisfaction	.677	.184	.965	3.686	.35
R Square = .276					
Adjusted R Square = .255					

Source: Primary data

Procurement planning (independent variable) has a significant effect end user satisfaction. According to the table above the effect of Procurement planning was established that ( $\beta=0.677$ ,  $t=3.686$ ,  $P=0.35$ ) effect end user satisfaction. This implies that effective and proper procurement planning enhance end user satisfaction through numerous benefits.

The results in the table 4.12 below show the multiple ordinary least squares regression model. This was presented for the purpose of addressing the third objective for the combined effect of three predictor variables (needs Identification, cost estimation and specification) on the dependent variable outreach.

**Table 4. 13: Regression Analysis**

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.		
	B	Std. Error	Beta			
(Constant)	1.172		.664	0.253	1.765	.087
Needs Identification		.353	.143	.358	2.143	.040
Cost estimation		.326	.152	.339		
Specification		.260	.119	.345	2.184	.037
Dependent Variable: End user satisfaction						
	R	.558				
	R Square	.311				
	Adjusted R Square	.267				
	F Statistic	7.002				
	Sig.	.003				

Source: Primary data

The table above shows that predictor variables of needs identification, cost estimation and specifications explain 26.7% of variations in end user satisfaction.

Results show a significant model ( $F=7.002$ ,  $sig=0.003$ ) to explain a multi regression equation of end user satisfaction  $(y) = 1.172+0.353n+ 0.326c +0.260s$ .

#### **4.4.1 Combined effect by independent variables**

Table 4.12 shows that needs identification, cost estimation and specification predict a combined effect of 26.7% on end user satisfaction at MGLSD. The predictors cause 31% variations in at a coefficient of multiple determination ( $R\text{ square} = .311$ ). Thus the regression output ( $R=0.558$ ) suggest if needs identification, cost estimation and specification are well managed, they should significantly improve end user satisfaction.

#### **4.4.2 Individual contribution by independent variable**

Needs Identification, ( $\beta=.345$ ,  $sig=.037$ ) had a better predictor weight than cost estimation ( $\beta=.339$ ,  $sig=.040$ ) on end user satisfaction. Dealing with both predictor variables will cause more multiple effects on end user satisfaction.

## CHAPTER FIVE

### DISCUSSIONS, SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter presents the discussion of the major findings, a summary of the findings, conclusions, recommendation drawn based on previous chapter and answering the specific objectives of the study spelt out in chapter one.

#### 5.1 Discussion of the Major findings

##### 5.1.1 The effect of Needs Identification on End User Satisfaction at the MGLSD.

The first objective of the study was to examine the effect of needs assessment on end user satisfaction. The procurement law stipulates that for any item to be procured there must be a need for it. By establishing this need then the user can request for the procurement of the same therefore user departments at the MGLSD play a great role in the need Identification. PDU encouraged the user to put their needs in the request form (Form 5) accompanied with procurement plans and eventually action taken upon them through commitment and finally procurement planning is achieved.

The users are requested to channel their needs to the procurement office through the request which is then implemented as first as possible as compared to when the office was not in place. Management have never been trained on planning their needs and only channels them to procurement when the need arises which is not the proper case. Agaba (2007) contends that the reason why service quality is compromised within the public service is that entities fail in achieving important goal of satisfying the needs of internal users.

Table 4.2 above shows responses on the effect of Needs Identification on End User Satisfaction at the MGLSD. Results showed that Respondents agreed with the view that Needs identification has no effect on quality of goods (mean=2.29 and  $SD = 0.43$ ).this means that at the MGLSD, the procurement department had Managers who need purchased goods or services required for the smooth running of their organization, having undergone through the procurement planning process. Establishment of the requirements is the foundation for conducting market survey to

ascertain aspects such as prices, new products or alternative or substitute products, new sources of supply, nature of competition and environmental aspects that may affect the supply market. The PPDA Act Amended 2014, Procurement and Disposal shall be initiated or continued on the confirmation of funding in full amount over the required period, Is available or will be made available at the time the contract commitment is made.

There is a positive relationship between Needs Identification and End User Satisfaction at the MGLSD because the two variables are moving in the same direction (Pearson ( $r$ ) = .246\*\*) sig value  $P$  (value) being  $0.01 > .000$ . Lack of good planning within the established departmental needs affected the end user procurement efficiency and service delivery. A procurement plan is an instrument for implementation of the budget which was drafted by the user departments in the MGLSD with a view to avoiding or minimizing excess costs in the entities' budgets and to ensure that procurements do not proceed unless there are funds to pay for them. However, procurement plans were not well integrated into the budget process based on the indicative budget as appropriate and in compliance with the procurement law. The results is supported by Mamiro (2010) findings who underscores one of the major setbacks in public procurement is poor procurement planning and management of the procurement process. Failing to clearly identify needs and unclear estimated incorporated in unrealistic budgets and inadequacy of skills of procurement staff are responsible for procurement problems public entities.

Table 4.2 results showed that respondents generally agreed that Quality specification has no effect on procurement planning (mean=2.41 and  $SD = 0.11$ ). This means that identification of needs requires must be backed by clear specifications to enhance the procurement planning process. Without a quality specification the process was filled with pitfalls and obstacles for the purchasing department. During specification process, the quality characteristics that include; Identifying the minimum requirements of the end user, allowing for a fair and open procurement process, provides for testing/inspection to insure the goods/services received meet the standard set forth in the specification and providing equitable award at the lowest possible cost were not adhered too. The user-based approach failed to identify high quality item as one that best satisfies end user needs.

Table 4.4 above shows that there was inaccurate Demand management at the MGLSD (Mean = 4.26,  $SD = 1.08$ ). This means that poor demand and improper procurement planning resulted in large deviations and price escalations characterised by Poor service delivery, shoddy workmanship for works contracts which were all brought about by poor procurement planning as well as non-adherence to utilization of effective procurement methods. The core role of proper needs assessment as a foundation for an effective procurement failed to bring on board the link between need assessment and end user satisfaction.

### **5.1.2 The extent to which Procurement Cost Estimation affects End User Satisfaction at the MGLSD.**

The study sought to find out how cost estimation affected end user satisfaction as the second objective of the study. This was measured by looking at the following variables: availability of market price, quality of the items, financial capacity and professional staff. Procurement estimates were based on the market price of an item. Procurement professionals at the ministry are required to come up with the prices of an item based on the market price. The procurement law provides that there, must be a basis on the price through a market survey or past records on procurement of the same item in the same financial period. Costs are one of the factors that are concerned with the customer perspective but price is not seen as the only parameter for costs. According to the PPDA Act (2007), purchases must be economical and efficient.

In table 4.7 above, respondents agreed the view that over estimation of procurement prices prevailed at MGLD (mean = 3.83 and  $SD = 1.06$ ). This meant that prices were not within the acceptable budget due to failure to conduct market price survey during the procurement planning process to make sure that the price are within the expected price ceiling. Hence weak planning attributed to this price escalation. Regarding Cost estimation in any institution it's determined by the professionalism applied by the employees undertaking the exercise. This is indicated by the respondents that effective and efficient procurement process could not be achieved without proper planning by competent staff which compelled a flaw in the process. Competent procurement staff at the ministry could not ensure that items services are procured as and when the need is expected. This finding is supported by Lysons and Gillingham, (2003) who confirms that procurement personnel should be knowledgeable about specifications so as

to be able to secure value for money for their employers and play their role of intermediaries between the user and the supplier.

Results in table 4.6 reveal that Procurement planning helps to achieve value for money through estimating costs accurately, (mean= 3.89 and  $SD = 1.43$ ). This means that then ministry was able to ensure that the number of items needed are the exact in number meaning that inventory levels matched placed orders. Thus preventing delivering of items undesired for the entity. From the above is very clear that the cost estimation of the items to be procured is quite important in coming up with a procurement plan as this affects the budget .The law stipulates that no procurement should exceed the money available in the budget.

Respondents agreed that cost estimations led to big budget deficits, (mean= 3.91 and  $SD = 0.68$ ). This means that the expenditure patterns and procurement plans were still lacking at the MGLSD where the PDU, PDE and other Stakeholders could not effectively prepare the consolidated procurement plan with accurate market prices to ensure smooth and orderly co-ordination of planned activities. The high procurement plan estimates were created for technocrats to negotiate reduced prices with bidders for their own selfish needs which is a form of corruption.

Cost estimation based on market prices generate saving. It also means that bad practices such as irresponsible procurement leading to wastage, wear and tear of stocks, over invoicing, unplanned expenditure, shortage of goods when needed, poor quality products and similar factors to be avoided. The PDU did not prepare and frequently update a Market Price Index (MPI) to be used by the Procuring Entity (PE) on a periodic basis. Hence this created a gap between the Procurement Plan (PP) not to be integrated accurately into the budgetary processes based on the indicative or approved budget, as stipulated in the PPDA act (2003) updated in 2014. The budget as well as the procurement plan are to be based on realistic cost estimates derived from the market research database which is to be compiled and updated regularly by the procurement unit. This is in agreement with the PPDA Act, regulations and guidelines, 2014.

Respondents generally agreed Political interference affected procurement planning at the ministry (mean=4.76 and  $SD = 1.15$ ). This implies that high procurement plan estimates were put

to create room for technocrats to negotiate reduced prices with bidders for their own selfish needs such as a form of corruption where cost estimates did not represent the real picture of the cost of an item.

Procurement Cost Estimation and End User Satisfaction at the MGLSD because the two variables are moving in the same direction (Pearson ( $r$ ) = .276\*\*) sig value  $P$  (value)  $P \leq 0.05=000$ ,  $N$  is the sample size (90) with a sig value .000 meaning that the relationship between Procurement Cost Estimation and End User Satisfaction is statistically significant since .000 is less than 0.05 (95% confidence level)

### **5.1.3 The influence of Specification of goods on End User Satisfaction at the MGLSD.**

According to results in Table 4.8, the type of item needed by the end user was determined by the clear specification to give maximum achievement of the quality that the user department requires, (mean = 4.54 and  $SD = 1.24$ ). This implies that poor specifications are brought about by poor procurement planning and poor procurement method to be applied hence that lead to delivery of items not needed. The importance of procurement planning was therefore not recognized to support activities and the quality specification of the products, services and works at the ministry and hence dissatisfying end users.

There is a positive relationship between Specification of goods on End User Satisfaction at the MGLSD because the two variables are moving in the same direction (Pearson ( $r$ ) = .276\*\*) sig value  $P$  (value)  $P < 0.05=000$ . With the finding of (Davis, 1992; Feldman, 1991). Edvardson (1998) contents that specification is an integral part of the procurement function. Without a quality specification the process can be filled with pitfalls and obstacles for the purchasing department. He lists the characteristics of a good specification as follows; Identifies the minimum requirements of the end user, allows for a fair and open procurement process, provides for testing/inspection to insure the goods/services received meet the standard set forth in the specification and provides equitable award at the lowest possible cost

The findings indicated that Financial capacity of the MGLSD affects the specification thus affecting the procurement plan, (mean=3.92 and  $SD = 1.45$ ). This implies that MGLSD had

procurement funds though they were limited to only plan procurements that create value for and meet the agreed standards. The above results show that low financial capacity of the ministry highly affected the need assessment of the user departments. The user departments needed certain items but considering their acquisition was had due to limited by the financial incapacity. This means that there was reluctance in the requisition as well as acquisition which hindered both end user satisfaction and service delivery at the ministry. Hence the efficiency of procurement planning depended on the financial capacity influenced by proper specifications at the entity.

Results in table 4.8 reveal that MGLSD is financially stable to procure items which are termed as necessities, (mean= 2.31 and  $SD = 1.61$ ). The study findings also revealed that, the type of item to be procured at the ministry was affected by specifications and thus affecting both procurement planning and end user satisfaction as the MGLSD was unstable to procure items termed as necessities. The items which were not voted for could not be procured through a special request and hence this affects quality specification. The ministry was under funded to only allow procurement planning that permits proper specification for delivery of quality items. For example the type of item will determine the procurement method to be applied hence the specification should be very clear to give maximum achievement of the quality that the user department requires. When it is not achieved then the item procured will be affected and this affects the procurement plan of an entity.

Respondents generally agreed that rush in procurement activities came about because lack of procurement planning is a major source of operational problems at MGLSD leading to (mean= 4.34 and  $SD = 1.38$ ). This implies that poor procurement planning leads to poor development of specifications, wrong decisions taken about items to be procured which eventually leads to poor quality goods being delivered. The procurement office could not plan to procure what the ministry cannot afford.

## **5.2 Summary of the major findings**

In relation to the discussion of the above findings, needs assessment was conducted through needs identification by different user departments, determination of the value of cost estimation

in relation to market prices, specification of the quality of needs were examined to assess the extent to which each influenced end user satisfaction as the study constructs of procurement planning at the MGLSD.

The results from the study revealed that needs assessment affected procurement planning. It involved planners at different departments determining the expected and realistic products and services and works. The PDU then combined procurement requirements from different departments for compliance. The need for procurement planning also entailed budget control measure, planning for implementation of activities, better budget performance and better funds utilization. Above all, there prevailed poor procurement planning at the ministry which induced price escalation, late delivery of goods and Poor quality of goods and services, failure to absorb funds, poor co-ordination of project activities, failure to accomplish budget activities curtailed satisfaction of end user needs.

The study results also indicated that cost estimation was considered as an element of procurement planning adopted during the planning stage. User departments provided cost estimates sheets for all procurements at the ministry to be availed for funding. Therefore procurement planning depends on the cost or budget that influenced end user satisfaction.

The third objective of the study was to establish the extent to which specification affects end user satisfaction. The study has established that quality specification was a vital aspect relating to procurement planning. Constructs that include: the type of item to be procured, financial capacity, procurement method applied and availability of procurement department determined the quality of specification.

This Study provided that there was a significant positive relationship between procurement planning and end user satisfaction at the MGLSD.

### **5.3 Conclusions**

Based on the above summary of the major findings it can therefore be deduced that; Procurement planning at the MGLSD was identified with the variables such as; needs identification, cost estimation and specifications. These influenced the user departments' satisfaction at the Ministry.

There was lack of proper planning through effective identification of user needs which created avenue of unethical practices in procurement department such as corruption and improper use of resources, excess budget votes. Therefore integration of procurement plans into budgetary process as important element in institutionalizing procurement framework reforms was not realized.

The study results also revealed that there was high staff incompetence within the user department and PDU in coming up with accurate cost estimates and clear specification in the procurement plan. This affected Cost estimation since no planning could not be done without accurate financial estimates.

The third item rated was quality of the items procured. There is no way that a procurement professional can rate the price without putting in mind the specification required. Items in the market are given prices depending on the quality, the higher the quality the higher the price and the lower the quality the cheaper the price. The procurement officer determined the amount of money to be allocated. Thus procurement planning was affected by the specification provided by the user departments. Because the quality of the items procured was poor, the procurement plan was also poor.

There was a significant statistical relationship between procurement planning and end user satisfaction at the MGLSD. Thus inadequate planning at the MGLSD procurement activities through establishment of every department need analysis, then cost estimation evaluated against the need to match with available budget threshold was ineffective resulting into low procurement

performance. Whereas on the other hand proper implementation of procurement planning helps to determine realistic needs, costs and specification.

#### **5.4 Recommendations**

Basing on the findings of the study summarized above, the following recommendations were made:

MGLSD should be able to provide training to user departments on how to effectively conduct needs Identification for bids to influence effective and efficient procurement planning.

The Administration must develop users departments' resource requirements needs for their department to allow procurement department proper budgetary allocation vote to the needs of the department to avoid wastages of resources and where over spending without planning a risk factor for procurement professionals are high.

Procurement departments should often conduct market survey to come up with the actual and realistic estimated prices for commodity before the procurement plan can be implemented. Research on market survey, financial capacity will help to determine how to allocate activities, projects and re-align to budgets to serve that particular vote and the quality of the item needed to meet the financial capacity of the budget as allocated.

The user department s should develop requisitions with clear specification for their requirement which should be within quality standard measures.

PPDA Authority and Procurement practitioners Association should establish centers of expertise and various procuring entities should meet regularly to inform test and develop policies and where appropriate operationalisation of the procurement function among public entities.

The study suggest that proper ways of procurement planning must be linked field activities with procurement plan, stakeholder analysis, peer review mechanisms and frequent review of previous plans.

## **5.5 Areas for Further Research**

Further research should be conducted in the following areas:

To examine the influence of supplier collaboration on procurement efficiency in private institutions.

To assess the effect of Electronic procurement in realizing order to save cost.

To examine the performance means used in transforming processes, procedures, and plans to improve customer dissatisfaction.

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## APPENDIX I: QUESTIONNAIRE END USERS AT THE MGLSD

### Dear Respondent

I am Catherine Mbabazi, a student of Kyambogo University pursuing Master of Science in Procurement and Supply Chain Management. I am collecting data for my dissertation. The main objective of the study is to investigate the effect of “*Procurement Planning on End User Satisfaction: A Case Study of Ministry of Gender, Labour and Social Development*”. I assure you that the data will be strictly kept confidential and only used for academic purposes. To ensure anonymity, you are not supposed to write your name in the questionnaire.

Kindly spare **10-15** minutes to answer the questions and provide the valuable information following the directions in the questionnaire.

Thanks in advance for your cooperation.

1. Which of the following procurement method(s) are you involved in at MGLSD?

Open Domestic Method

Restricted Domestic Bidding

Quotation Method

Direct Method

Micro Method

2. Procurement Plans are often not submitted by your Institution to CC for approval as required by law?

Strongly agree

Agree

Disagree

Strongly disagree

Uncertain

### **Part B: The effect of Needs Assessment on End User Satisfaction at the MGLSD**

For sections B, C, D and E, The following statements relate to your opinion about procurement planning and end user satisfaction at MGLSD. For each item of the statements below, please indicate the extent of your agreement and disagreement by ticking (√) or circling the appropriate number as provided below:

Strongly Disagree	Disagree	Not sure	Agree	Strongly Agree
1	2	3	4	5

Sn	Statement on Need Identification in Procurement Planning.	Scores				
01	Needs identification has no effect on quality of goods	1	2	3	4	5
	Identified Needs and delivered have an effect on time	1	2	3	4	5
02	Specifications of procurement needs are provided on time	1	2	3	4	5
03	Planning levels affect time and end users	1	2	3	4	5
04	At Planning level less complaints are received	1	2	3	4	5
05	Identification of needs has no effect on quantity	1	2	3	4	5
06	Does needs identification affect procurement planning in MGLSD	1	2	3	4	5
07	Quality specification has no effect on procurement planning	1	2	3	4	5
08	Cost estimation affects procurement planning	1	2	3	4	5
19	End users are satisfied with quality of goods delivered	1	2	3	4	5
10	With good specifications less complaints are got	1	2	3	4	5
11	Cost estimation has an effect on quality of goods	1	2	3	4	5
12	Cost estimation affects price set up by end users	1	2	3	4	5

### 3. Which of the challenges below affect procurement planning at the MGLSD?

Sn	Challenges that affect procurement planning at the Ministry	Scores				
01	Inaccurate Demand management	1	2	3	4	5
02	Lack of proper knowledge, skills and capacity	1	2	3	4	5
03	Non-compliance with policies and regulations	1	2	3	4	5
04	Political interference	1	2	3	4	5
05	Rapid developments in technology	1	2	3	4	5

**4. Lack of procurement planning is a major source of operational problems at MGLSD leading to?**

Sn		Scores				
		1	2	3	4	5
01	A rush in procurement activities	1	2	3	4	5
02	Higher expenditure on procurement activities	1	2	3	4	5
03	Incorrect specifications of items to be procured	1	2	3	4	5
04	Under/Over estimation of items to be procured	1	2	3	4	5

**5. What are some of attributes of poor procurement planning at the MGLSD?**

Sn		Scores				
		1	2	3	4	5
01	Incorrect packaging for procurement activities	1	2	3	4	5
02	Inappropriate selection of procurement methods	1	2	3	4	5
03	Over estimation of procurement packaging	1	2	3	4	5
04	Under estimation of procurement packaging	1	2	3	4	5
05	Procurement planning helps in resource allocation.	1	2	3	4	5
06	Procurement planning helps to achieve value for money.	1	2	3	4	5
07	Poor procurement plan leads to big budget deficits Procurement planning results into compliance to set procedures.	1	2	3	4	5

**Part C: The extent to which Procurement Cost Estimation affects End User Satisfaction at the MGLSD.**

The study sought to find out how cost estimation as an effect of procurement planning is considered by management.

Sn	Statement on Procurement Cost Estimation affects End User Satisfaction	Scores				
		1	2	3	4	5
01	Managements' view on Cost Estimation has an effect on Procurement Planning	1	2	3	4	5
02	Cost Estimation at the MGLSD is measured by market price	1	2	3	4	5
03	Price through a market survey or past records on procurement of the same item in the same financial period is considered	1	2	3	4	5

04	Cost estimation affects procurement planning since no planning can be done without financial estimates.	1	2	3	4	5
05	Items in the market are given prices depending on the quality, the higher the quality the higher the price and the lower the quality the cheaper the price.	1	2	3	4	5
06	The cost estimation of the items to be procured is quite important in coming up with a procurement plan as this affects the budget	1	2	3	4	5
07	The procurement department carries out market survey to come up with the estimated price before the procurement plan are implemented	1	2	3	4	5
08	Financial capacity determines how much has been allocated in the budget to serve a particular vote and the quality of the item needed to meet the budget as allocated	1	2	3	4	5
09	Cost estimation is also determined by the procurement staff through market survey					

**Part D: The influence of Specification of goods on End User Satisfaction at the MGLSD**

<b>Sn</b>	<b>Statement on Specification of goods on End User Satisfaction</b>	<b>Scores</b>				
01	There is end User involvement in the specification of goods, services and works at the MGLSD	1	2	3	4	5
02	The user department drafts specification for their requirement within quality standard measures.	1	2	3	4	5
03	The type of item to be procured affects the specification	1	2	3	4	5
04	The type of item will determine the procurement method to be applied hence the specification should be very clear to give maximum achievement of the quality that the user department requires.	1	2	3	4	5
05	Financial capacity of the MGLSD affects the specification thus affecting the procurement plan	1	2	3	4	5
06	MGLSD is financially stable to procure items which are termed as necessities	1	2	3	4	5
07	Absence of accountability that creates uncertainty	1	2	3	4	5

## **APPENDIX II: INTERVIEW SCHEDULE FOR SENIOR MANAGEMENT STAFF**

1. How does MGLSD affect procurement planning?
2. What is the relevance of procurement planning at the MGLSD?
3. Which of the challenges below affect procurement planning at the MGLSD?
4. What are some of attributes of poor procurement planning at the MGLSD?
5. In your own view, how does procurement planning affect user satisfaction at the MGLSD?
6. In which ways does need assessment affect procurement planning at the MGLSD?
7. In which way does cost estimation affect procurement planning at the MGLSD?
8. Briefly explain how specification affects procurement planning at the MGLSD?
9. What other comments can you make regarding the effects of procurement planning on an entity?

***“Thanks for your cooperation”***

## **APPENDIX II: INTERVIEW SCHEDULE FOR SENIOR MANAGEMENT STAFF**

1. How does MGLSD affect procurement planning?
2. What is the relevance of procurement planning at the MGLSD?
3. Which of the challenges below affect procurement planning at the MGLSD?
4. What are some of attributes of poor procurement planning at the MGLSD?
5. In your own view, how does procurement planning affectend user satisfaction at the MGLSD?
6. In which ways does need assessment affect procurement planningat the MGLSD
7. In which way does cost estimation affect procurement planning at the MGLSD?
8. Briefly explain how specification affects procurement planning at the MGLSD?
9. What other comments can you make regarding the effects of procurement planning on an entity?

***“Thanks for your cooperation”***

FORM 5

*Regulation 3(5), 12 (3), 13(3), 14(4),  
15(4), 17(2), 44 (5), 45(4)*

THE PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS ACT, 2003

REQUEST FOR APPROVAL OF PROCUREMENT

PART I: REQUEST BY USER DEPARTMENT FOR APPROVAL OF PROCUREMENT

Procurement Reference Number			
Code of Procuring and Disposing Entity	Supplies/Works/Non-consultancy services	Financial year	Sequence number

Particulars of Procurement	
Subject of Procurement	
Procurement Plan Reference	
Location for Delivery	
Date Required	

Details relating to the Procurement					
Item No.	Description <i>(Attach specifications, terms of reference or scope of works)</i>	Quantity	Unit of Measure	Estimated Unit Cost	Market price of the procurement
				Currency: _____	
				Estimated Total Cost:	

**(1) Request for Procurement**  
(Member of user department)

**(2) Confirmation of request**  
(Head of user department)

Name: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Availability of funds to be confirmed prior to approval by Accounting Officer:*

Vote/head No	Programme	Sub-programme	Item	Balance remaining

**(3) Confirmation of funding and approval to procure**  
(Accounting Officer)

Name: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**PART II: REQUEST BY PROCUREMENT AND DISPOSAL UNIT TO CONTRACTS COMMITTEE  
FOR APPROVAL OF PROCUREMENT METHOD**

	Submission by the Procurement and Disposal Unit	Decision by the Contracts Committee	Conditions/ Justification for decision
	Date of submission to Contracts Committee:		Date/reference of Contracts Committee meeting:
1.	Recommended method of procurement and justification		
2.	Names of shortlisted provider (s) and justification for selection		
3.	Bidding document. Persons involved in preparation of proposal document ( <i>Names and positions</i> )		
4.	Names of persons recommended to constitute the Evaluation Committee and the justification ( <i>Names and positions</i> )		
5.	Cost of the bidding document, if any		
6.	Any other information		

*Documents attached:*

- 1. Bidding Document

**Declaration by Procurement and Disposal Unit**

The information contained in this form and the attached documents is complete, true and accurate and in accordance with the Public Procurement and Disposal of Public Assets Act, 2003.

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Declaration by Contracts Committee**

The information contained in this form is a true and accurate record of the decision of the Contracts Committee meeting held

on the above date.

Name: \_\_\_\_\_

Position: **Chairperson Contracts Committee**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Position: **Secretary Contracts Committee**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

---

# MPS: Gender, Labour and Social Development

---

## Foreword

Madam Speaker and Honourable Members of Parliament, in accordance with Finance Management Act 2015 I have the honour and pleasure to present, the Policy Statement for the Social Development Sector in support of their Estimates of Revenue and Expenditure for the Financial Year 2015/16.

Madam Speaker and Honourable Members of Parliament, the Policy Statement is presented in three main sections; Section A: is for Vote 018: Ministry of Gender, Labour and Social Development, Section B is for Vote 124 Equal Opportunities Commission (EOC) and Section C is for Vote 501-850 Local Governments (Districts and Municipalities).

The submission is consistent with the Sector's commitment to satisfying its Mandate, to empower communities to harness their potential through skills development, labour productivity and cultural growth for sustainable and gender responsive development. The Sector plans to achieve this through the promotion of gender equality, labour productivity, social protection and social transformation of communities.

Madam Speaker and Honourable Members, I wish to recap that the Social Development Sector promotes community level actions to reduce poverty and plays an assisting role that creates the necessary conducive environment for the other sectors to effectively deliver services to all other sections of the population.

Notwithstanding the indispensable role that the Sector plays in creating demand for social services and laying a foundation for other sectors to improve their outcomes, the sector is one of the least funded. In the MTEF for FY2015/16 it has been allocated Shs79.733Bn out of Shs20620.13Bn, showing 0.39% of the overall Budget. (MTEF of 23rd March 2015).

Madam Speaker and Honourable Members, during the FY 2014/15, the Sector approved budget was Shs70.305Bn. Out of that amount, MGLSD was allocated Shs60.792Bn Shs7.141Bn was allocated to LGs and Shs2.372Bn was allocated to Equal Opportunities Commission. With these resources, the Sector focus was to:

- i. Strengthen capacity for occupational safety and health in workplaces and emerging sectors such as Oil and Gas, extend social services to the vulnerable persons;
- ii. Improve the quality of non-formal adult literacy services and promote culture for development;
- iii. Scale up programmes to prevent and respond to Gender Based Violence; and
- iv. Improve service delivery including coordination; monitoring and evaluation.

The Sector, Madam Speaker and Honourable Members, amidst the resources, it faced a number of challenges during the financial year of discussion. The significant challenges among others were the following:

- i. Operationalization of the budget allocation efficiency as a requirement to limit the budget allocations to administrative and consumptive activities;
- ii. Congestion in children institutions and under feeding
- iii. Insufficient budget for efficient industrial court operations
- iv. Inadequate ceiling to cover priority expenditures of the sector
- v. Inadequate capacity for gender and rights mainstreaming
- vi. Reducing youth unemployment

TELEPHONE:  
SWITCHBOARD: 041-4 347854  
041-4 347855  
PERMANENT SECRETARY: 041-4 343572  
FAX: 041-4256374  
E-MAIL: [ps@mglisd.go.ug](mailto:ps@mglisd.go.ug)  
WEBSITE: <http://www.mglisd.go.ug>



THE REPUBLIC OF UGANDA

Ministry of Gender, Labour  
and Social Development  
P.O. Box 7136  
Kampala,  
Uganda.

In any correspondence on  
This subject please quote No. ADM 140/174/02

4<sup>th</sup> October 2016

Ms. Mbabazi Catherine  
Kyambogo University  
P. O. Box 1  
Kyambogo

***PERMISSION TO CONDUCT A RESEARCH STUDY***

Reference is made to your letter dated 29<sup>th</sup> September 2016, on the above subject.

This is to inform you that you have been offered an opportunity to undertake a research study with the Ministry of Gender, Labour and Social Development.

During the period of research, you will be expected to strictly abide by the rules and regulations governing the institution and to note that the Ministry is not financially obliged to support you during this exercise.

At the completion of your research term, you are encouraged to share your findings to help in the cross pollination of policy and actions in your field of study.

A handwritten signature in black ink, appearing to read 'Benon Kigenyi'.

Benon Kigenyi  
FOR: PERMANENT SECRETARY