

UNIVERSITY OF KWAZULU-NATAL

**Public Procurement: Panacea or Fallacy - A Case of Public Service
Delivery in Zimbabwe**

By

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ABSTRACT

The public sector plays an important role in the economy in delivering public services and infrastructure development. Public procurement is an essential element in the delivery of these services, through the acquisition of goods, services and construction in the most economic and efficient manner whilst ensuring value for money and complains about poor service delivery necessitated this study.

This study focuses on the challenges in the public procurement process that detract from service delivery in Zimbabwe, the extent the challenges are experienced and how the public procurement process can be improved to enhance service delivery.

The public sector in Zimbabwe comprises ministries, parastatals and local authorities but the study focused on the parastatals and the ministries only. The study seeks to examine the challenges faced in the public procurement process and to what extent they detract from service delivery in Zimbabwe.

Initially, the challenges were identified through a literature review and interviews with two ministries and three parastatals. Using this data, a questionnaire was compiled and sent to 25 ministries and 52 parastatals to determine (1) whether these were challenges that detract from service delivery and (2) to what extent they were challenges.

This study is by nature descriptive and exploratory and contains quantitative and qualitative elements, using mixed methods research based on the pragmatic research paradigm. Challenges were examined in the public procurement process, human resources, finance and budgeting and the public procurement legal framework.

The findings of this research indicate that the challenges faced in the public procurement process that detract from service delivery are: firstly, the length of the process, which is significantly long and inefficient as a result of the State Procurement Board involvement in all activities in the public procurement process; secondly, inadequacy of thresholds; and, finally, lack of proper training and knowledge of the public procurement policies, procedures and legal requirements in the process. It was found that the majority of the challenges in the public procurement process that detract from service delivery result from the public procurement legal framework, which centralises the procurement authority at the SPB. Reforms in the legal framework are recommended to devolve the procurement authority to the procuring entities to allow the SPB to assume a monitoring and oversight role of supervising the procuring entities and policy issues.

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LIST OF ACRONYMS

| | |
|--------|--|
| ABD | Asia Development Bank |
| AO | Accounting Officer |
| APPERI | Africa's Public Procurement and Entrepreneurship Research Initiative |
| APRM | African Peer Review Mechanism |
| CBD | Central Business District |
| CI | Confidence Interval |
| CPAR | Country Procurement Assessment Report |
| CTB | Central Tender Board |
| DAC | Development Assistance Committee |
| EDI | Electronic Data Interchange |
| EU | European Union |
| FT | Formal Tender |
| GDP | Gross Domestic Product |
| GoSL | Government of Sierra Leone |
| GOU | Government of Uganda |
| IAPSO | Inter-Agency Procurement Services Office |
| IBEC | Irish Business and Employers' Confederation |
| IT | Informal Tender |
| NIGP | National Institute of Governmental Purchasing |
| NPPA | National Public Procurement Authority |
| ODDP | Office of the Director of Public Procurement |
| OECD | Organisation for Economic Cooperation and Development |
| PPA | Public Procurement Act |
| PPDA | Public Procurement and Disposal Authority |
| PPOA | Public Procurement Oversight Authority |
| PPP | Public Private Partnerships |

| | |
|-------|--|
| RFP | Request for Proposals |
| RFQ | Request for Quotations |
| RPPA | Rwanda Public Procurement Authority |
| SI | Statutory Instrument |
| SBD | Standard Bidding Documents |
| SFT | Special Formal Tender |
| SME | Small to medium enterprises |
| SMME | Small, medium and micro enterprises |
| SPB | State Procurement Board |
| SPP | Sustainable Public Procurement |
| UCL | University of Central Lancashire |
| UN | United Nations |
| UNDP | United Nations Development Programme |
| USA | United States of America |
| USAID | United States Agency for International Development |
| WB | World Bank |
| WTO | World Trade Organisation |
| www | World Wide Web |

KEY WORDS

Accountability: The acknowledgment and assumption of responsibility for actions, products, decisions, and policies

Accounting Officer: Head of the procuring entity

Acquisition: The purchase of goods and/or services at the best possible total cost of ownership

Act: A statute enacted as primary legislation by parliament

Adjudicating: The final evaluation in tender proceeding; the act of pronouncing a winner based on the evidence presented

Award: A public acknowledgment of excellence

Benchmarking: The process of comparing one's business processes and performance metrics to industry bests or best practices from other industries

Bid validity: The period for which bid prices remain valid after the tender closing period (usually 90 days in tenders)

Bid: A price offered for a good by a potential buyer or a price offered by a potential vendor to perform a specific job

Bottleneck: A phenomenon where the performance or capacity of an entire system is limited by a single or limited number of components or resources

Bribe: Something, such as money or a favour, offered or given to a person in a position of trust to influence that person's views or conduct

Comparative schedule: A listing of all bidding firms indicating in ascending order bid prices and their reasons for qualification/disqualification

Compliance: A state of being in accordance with established guidelines, specifications, or legislation or the process of becoming so

Contract: An agreement having a lawful object entered into voluntarily by two or more parties, each of whom intends to create one or more legal obligations between them

Corruption: When an office-holder or other governmental employee acts in an official capacity for personal gain

Decentralization: The dispersion or distribution of functions and powers specifically the delegation of power from a central authority to regional and local authorities

Delivery: The act of taking something to a person or place

Design: To create the plans, drawings, etc., that show how something will be made or achieved

Detract: To diminish the importance or effectiveness of something

Disbursement: The payment of money from a fund or account (for example, from treasury)

Efficiency: The extent to which time, effort or cost is well used for the intended task or purpose; it is often used with the specific purpose of relaying the capability of a specific application of effort to produce a specific outcome effectively with a minimum amount or quantity of waste, expense, or unnecessary effort

Entity: Department, team, corporation, cooperative, partnership, or other group with whom it is possible to conduct business

Ethics: Moral behaviour in humans and how one should act

Expediting: A concept in procurement and project management for securing the quality and timely delivery of goods and components

Exploratory: Done or created to find something or to learn more about something

Hindrance: An obstruction, snag or impediment

Homogenous: Of the same or similar nature, uniform in structure or composition

Inventory: The raw materials, work-in-process goods and completely finished goods that are considered to be the portion of a business's assets that are ready or will be ready for sale

Lead time: The time taken between recognition of a need and delivery of material

Mandatory: Obligatory; required or commanded by authority.

Manual: A book, especially of instructions or information

Methodology: A body of practices, procedures, and rules used by those who work in a discipline or engage in an inquiry; a set of working methods

Obstacle: Something that stands in the way of, or holds up progress

Parastatals: A company or agency owned or controlled wholly or partly by the government

Performance: The way in which someone or something functions

Population: The total number of inhabitants constituting a particular race, class, or group in a specified area

Practitioner: One who practices something, especially an occupation, profession, or technique

Procuring Entity: Ministry, department or other division of government

Proposal: The act of offering or suggesting something for acceptance, adoption, or performance

Regulation: A principle, rule, or law designed to control or govern conduct

Reliability: Yielding the same or compatible results in different clinical experiments or statistical trials

Requisition: A formal written request for something needed.

Sample: A portion, piece, or segment that is representative of a whole

Sanction: A coercive measure adopted usually by several nations acting together against a nation violating international law

Sector: A part or subdivision, especially of a society or an economy

Service: A facility providing the public with the use of something, such as water or transportation

Specification: A detailed, exact statement of particulars, especially a statement prescribing materials, dimensions, and quality of work for something to be built, installed, or manufactured

Stakeholders: A person or group not owning shares in an enterprise but affected by or having an interest in its operations, such as the employees, customers, local community

Standard: Something, such as a practice or a product that is widely recognized or employed, especially because of its excellence

Supplier: Someone whose business is to provide a particular service or commodity

Tender: A written offer to contract goods or services at a specified cost or rate; a bid

Threshold: An allowable range within which certain decisions can be made, e.g. purchases of 0-\$20 000.00

Transparency: Openness, clearness

Treasury: A place in which private or public funds are received, kept, managed, and disbursed

Validity: Producing the desired results; efficacious

Value: Worth in usefulness or importance to the possessor; utility or merit

CHAPTER 1: INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 INTRODUCTION

Public procurement plays a critical function in service delivery and performance of government departments globally. It plays the fiduciary duty of ensuring efficient delivery of goods and services to the public (Uyarra & Flanagan 2009:2). It involves all the processes related to the procurement of goods and services by government departments, parastatals (procuring entities) and local public authorities (Roodhooft & Abbeele 2006:490). The public procurement process is governed by public procurement laws and regulations in all countries and differs from one country to another. Since governments are the biggest spenders in all countries, monetary values involved in public procurement are significant and it is every government's responsibility to ensure that resources are utilised in the most efficient, transparent and ethical way to promote sustainable development of both the economy and standards of living (European Parliament and Council 2004; Murray 2007:194).

The major objective of public procurement is cost reduction through the use of competition and specialist expertise, the promotion of transparency and the protection of public funds, as well as through reducing and eliminating corrupt tendencies (Asian Development Bank/Organisation for Economic Corporation and Development, 2007:11) so as to enhance public service delivery. Vellapi (2010:4) states that the primary concept of public procurement is saving money and increasing the efficiency of the daily business operation using advanced planning, scheduling and group buying. According to United Nations Development Programme/Inter Agency Procurement Service Office (2006:1), public procurement has a direct effect on government performance measured as service delivery. However, the implementation and results achieved are significantly affected by the differences in the socio-political environment, fundamental economic conditions and the technological environment of various countries, as well as the laws governing procurement. Public procurement has not been justly recognised in spite of the concerted efforts of partners like the World Bank, the International Trade Organisation, the United Nations Conference on Trade and Development and the World Trade Organisation (WTO) to ensure it is accorded the necessary importance.

1.2 PUBLIC PROCUREMENT IN ZIMBABWE

The public procurement processes and procedures in Zimbabwe are governed by the Procurement Act 2002 [Chapter 22:14] (Zimbabwe Government 1999) as read with the Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002).

A procurement act, as explained in the Procurement Act (Chapter 22:14), (Act No. 2 of 1999) (Zimbabwe Government 1999), is the principal law in procurement and contains a set of regulations that directs how local government (municipalities and local authorities) or central government (ministries) and parastatals acquire goods and services and other requirements. The policies and procedures of a procurement act may include the responsibilities of the SPB that approves the contracts to procure goods and services. It also usually details the process each business entity must follow to bid on and secure contracts with the government. For some local or regional governments, the act may also detail the responsibilities of the governing agency that administers the contract.

Procurement regulations are explained in the Procurement Act 2002 [Chapter 22:14] Section 33 as rules that local and central government ministries and parastatals must adhere to in the process of awarding public contracts to private companies. The objective behind public procurement is ensuring that governments act in a fair and cost-efficient manner in awarding contracts. Public procurement regulations are useful in avoiding any improper awarding of public contracts as well as making sure governments spend taxpayer money in an efficient manner.

1.2.1 Procurement thresholds

There are three procurement thresholds applicable in Zimbabwe currently, as stated in S.I. 160 of October 2002 (Zimbabwe Government 2002).

1.2.1.1 Competitive quotes

The first of the three public procurement thresholds, as determined by the statutory instrument, is the competitive process which is used for all purchases below US\$10 000. In this process, the procurement officer / buyer of the procuring entity processes requisitions for such purchases through invitation of at least three quotations from which he or she is mandated to select the lowest bidder to specification. Entities are required to submit quarterly

reports of all such procurement carried out during that period. A copy is also retained by the department for audit purposes.

1.2.1.2 Informal tender process

In terms of S.I. 160 of October 12 2012, the informal tender (IT) process is applicable for purchases between US\$10 000 to US\$50 000. Where any supply and service is being arranged in terms of these regulations, the procuring entities should invite tenders or quotations from prospective suppliers or contractors through advertising them in the newspapers. The quotations are compared and recorded on a comparative schedule prepared by the procuring entity. The accounting officer (AO) records the decision made in the comparative schedule and retains a copy, forwarding another to the SPB for audit purposes.

1.2.1.3 Formal tender process

All purchases of supplies or services above US\$50 000 are subject to formal tender (FT) procedures. A Formal Tender, which is also known as an open tender, is a tender that does not restrict participation by any bidder and takes a longer route than the other forms of purchasing. The principal officer of the SPB in liaison with the AO invites tenders, indicating the periods when such tenders will close and these are then published in the government gazette (the official government publication) and in national newspapers of wide circulation as approved by the Board. According to Zubcic and Sims (2011:299), the major objectives of publication of tenders in the media are the reduction of corruption. In addition, it increases transparency and participation by more firms (Borden 2007:223).

Tenders received are publicly opened by the SPB in the presence of tenderers and then forwarded to the procuring entities for evaluation. The head of the procuring entity returns the documents to the SPB once the evaluation is completed with recommendations for consideration and decision by the Board; the Accounting Officer is required to do the evaluation within 15 days of receiving the documents. The Board exercises its prerogative in terms of the law after considering the procuring entity's recommendations and direct which tender is to be accepted. All bidders and the procuring entity are notified of the results of the tender. Unless otherwise approved by the Board, FTs close after 30 days. This 30-day period includes public holidays and weekends. However, in emergency cases, when urgent orders need to be placed, a shorter period may be authorised by the chairman of the State Procurement Board.

Prior studies in public procurement and supply chain management have established that public procurement efficiency impacts service delivery and public sector performance. Most of these studies, however, have been conducted in developed economies where conditions are different to those in emerging economies. While a number of articles have been published in national newspapers describing poor implementation of government projects and service delivery, a limited number of research studies have been carried out in Zimbabwe focusing on the challenges in the public procurement process that detract from achieving service delivery. Thus, there is no research evidence that poor service delivery has occurred as a direct result of challenges in public procurement.

1.3 KEY CONCEPTS

This section explains the key concepts of the research to make it easier to understand the topic and objectives of this research study.

1.3.1 Public Sector

According to Monczka, Handfield, Giunipero and Patterson (2008:2), the public sector is responsible for the provision of goods and services by governments for their citizens. The primary aim is the provision of services to the community in a way as cost effective as possible and without expectations of profit.

1.3.2 Public Service Delivery

Public services are services that are provided by governments (central and local government) to the citizens, including inter alia sewage treatment and disposal, provision of street lighting, provision of affordable education and public health services, transport infrastructure, communication systems, provision of energy resources and the provision of safe, clean drinking water (Wanna, Butcher & Freyens 2010:1).

Public service delivery is the execution of these services with the objective of making sure they are accessible to the people and places they are intended for. A good public service is characterised by equal access for all, regardless of social or economic position or other differences not relevant to their need for the service. Le Grand (2009:7) remarks that there are five attributes of a good public service: “the service should be of high quality, should be

managed and operated efficiently, should be responsive to the needs and wants of users while simultaneously being accountable to tax payers and, at last, it should be delivered equitably.”

1.3.3 Public Procurement

Public procurement involves the acquisition of works, goods and services by the government. Public procurement is based on price and quality, while maximising benefits for the ministries and parastatals and achieving value for money (Lloyd & McCue 2004). Monczka et al (2008:2) add that public procurement can be explained as the process by which government ministries, departments, agencies, and statutory corporations, municipal corporations and public sector undertakings obtain goods, works and services.

1.3.4 Performance

Performance is the act of doing things in the way they should be done (*Longman Business English Dictionary* 2007:390).

1.3.5 Procurement Performance

Procurement performance is the comparison of actual against expected deliverables of the procurement process. Vellapi (2010:4) identifies cost effectiveness, profitability, assured supplies, quality improvement, and the achievement of competitive advantage as measures in procurement performance. Public procurement performance can also be measured through the provision of a value-for-money procurement service that guarantees financial savings, provision of quality products and services.

1.3.6 Panacea

The meaning of panacea is a remedy for all diseases or ills. It is something that people think will make everything better (*Longman Business English Dictionary* 2007:377).

1.3.7 Fallacy

A fallacy is a “statement or an argument based on a false or invalid inference, incorrectness of reasoning or belief” (*Oxford Advanced Learners Dictionary* 2002:419).

1.3.8 Obstacles

An obstacle is a hindrance or an impediment. It is something that provides resistance, delay, or obstruction to something or someone (*English Illustrated Dictionary* 1996:581).

1.4 LITERATURE REVIEW

In this section various studies in the field of public procurement are explored to establish the linkage with service delivery and public sector performance. The section begins with an overview of the public procurement process, followed by an examination of public procurement objectives. Insight is also provided into what the research literature suggests as the challenges in the public procurement process, offering possible suggestions to make the process more efficient.

1.4.1 Overview of Public Procurement

Public procurement has received more and more public attention, which has resulted in reforms and restructuring of the procurement process. The term refers to the process of the acquisition of goods, services and works by government entities using public funds. Roodhooft and Abbeele (2006:490) argue that public entities handle high value purchases, which signifies the importance of public procurement.

Hui, Othman, Normah, Rahman, and Haron (2011:567) remark that monies from the public have to be spent in a transparent and accountable manner. A number of countries such as Tanzania, Uganda, Ghana, Sierra Leone and Nigeria have made serious efforts to reform their procurement laws and regulations so as to improve transparency and accountability (Dza, Fisher and Gapp 2013:49). The major challenge, however, has been around the failure by the entities to comply with these regulations. Compliance, as an organisational objective, has traditionally been known as conformity or obedience to regulations and legislation (Lisa 2010:702).

Public procurement consumes a significantly high proportion of government expenditure and, according to Mahmood (2010:12), 18.42% of the world's Gross Domestic Product (GDP) is constituted by public procurement, while, with regard to emerging economies, Madara, Nyandemo, Kanduiwo, Mokaya and Iraki (2009:12) note that public procurement accounts for 70% of gross domestic product (GDP) in Uganda and Sierra Leone, while in 2007 in

Kenya it constituted about 30% of GDP. Basheka and Bisangabasaija (2010:91) reiterate that public procurement is progressively being recognised as of paramount importance to service delivery by developing countries. The importance of efficient public procurement processes and systems are thus clear. The significant spend by public procurement requires that public procurement be highly regulated to prevent fraud, waste and corruption.

Public procurement officials have to make important decisions in environments characterised by increasingly intense scrutiny, technology-driven accelerated changes and political expectations for service improvements (Eyaa & Oluka 2011:35). Public procurement is an important area that requires close attention as procurement staff in public entities are governed by regulations, policies and procedures. The government's level of compliance with procurement regulations affects whether it achieves its goals and objectives. The level of compliance impacts on internal and external stakeholders (Smart Procurement 2011). According to De Lange (2011) significant monies are wasted yearly due to poor management of public procurement policies. For example, De Lange (2011) cites that in South Africa taxpayers were fleeced of R30bn through corruption, incompetence and negligence by public officers. Therefore staff in the public sector should be managed to ensure that they comply with the relevant regulations, policies and procedures.

For these reasons, a number of countries have tried to come up with procurement reforms in an endeavour to improve the management of public procurement and it has been observed that over the last few years most countries have implemented changes in their procurement system. Thai (2006:1) indicates that the challenges experienced in public procurement go beyond procurement regulations to procurement processes as well as the different methods adopted in different countries.

Public procurement accounts for significant proportions of countries' annual expenditure throughout the world, with countries spending approximately US\$11 trillion yearly on public procurement (Hetland 2012). In the United States of America (USA), annual federal procurement was estimated to be about US\$250 billion and in the United Kingdom £240 billion (US\$367 billion) (Federation of Small Businesses, 2012). Public procurement spending was estimated to be over R600 billion in the 2010/11 financial year in South Africa (BWASA 2013:8).

1.4.2 Public procurement Objectives

The principal aim of public procurement is to enable public authorities to achieve their policies and the business objective of better public service delivery to the citizens (Vellapi 2010:4). In addition to efficiency, there are other critically important objectives relevant in public procurement, such as the rule of law, social justice and political goals (McCrudden 2007:25). An important and distinct feature of public procurement is the demand for high level accountability and efficiency (Abebe 2012:1266; Erridge 2007:1023) through value-for-money procurement of goods and services. Through public procurement, important policy objectives such as the promotion of small to medium enterprises (SMEs) and promotion of sustainability and innovation can also be achieved (Arrowsmith 2010:4).

1.4.3 Public procurement and promotion of socio-economic goals

Public procurement assists in the provision of business opportunities and employment and can be used as a catalyst of government policy for facilitating social-economic development (Mathew, 2010). Developing countries, such as Brazil, the Philippines and Namibia, have used public procurement to further objectives such as job creation (Rogerson & Voster 2009: 1). Public procurement is an important tool in the promotion of governments' socio-economic and environmental objectives (Arrowsmith 2010:5) and it is also an important tool for socio-economic development through advancing previously economically disadvantaged and marginalised groups, such as women, racial minorities and the disabled (BWASA 2013:8).

Public procurement has been used by governments as a catalyst to enhance economic activity through improving the competitiveness of industrial sectors and the protection of national/local industries from foreign competition (Arrowsmith 2010:23; Bolton 2006:193; Thai 2006:1) and the result is economic provision of fundamental service delivery to the citizens.

1.4.4 Economic and Value for Money Considerations

Mamiro (2009: 4) defines value for money as “an essential test against which a procuring entity must justify a procurement outcome. From the user or the targeted public point of view, value for money is the value (output) attached to some defined cost (input).” The objective of attaining value for money (Madara et al 2009:22) is of critical importance in procurement both in the private and public sectors. Value for money can be achieved through the public procurement process by means of timely deliveries, pursuit of the lowest process

costs, prevention of waste and promotion of competition, ensuring transparency and accountability during the public procurement process.

However, achievement of the value for money objective demands attention throughout the entire public procurement process (Arrowsmith 2010: 5), from the pre-tendering phase to the contract management phase. In the pre-tender phase, it is important to understand clearly the requirements of the entities and the lessons learnt in previous procurements and processes, as well as having a comprehensive understanding of the market. After the award phase, effective contract management is required to ensure timely deliveries by contractors within the budget and in line with the needs and specifications of the entities.

Successful achievement of value for money in the public procurement process is made possible through consideration of the costs of the whole life cycle when making award decisions and the avoidance of any unnecessary costs and delays for the entities and suppliers. Value for money can be enhanced through the public procurement process by monitoring the supply arrangements and determining the need to revisit them if they are failing to achieve the expected benefits, as well as ensuring continuous improvement in the efficiency of internal systems and processes. Public procurement laws in developing economies have been found to be very rigid and have been blamed as one of the major reasons for failing to achieve value for money through the public procurement process and achievement of international best practices (Ackah, Agboyi & Gyamfi 2014: 2)

Public procurement laws make procuring authorities “invite the world” to take part in tender processes in an effort to promote competition (Mamiro 2009:9) and to reduce public spending. Whilst this is a legal requirement, it can be challenged in that it has sometimes not taken into consideration all costs related to the increased competition, and some models have been developed that have proved that it is possible to achieve savings through limiting the number of bidders without detriment and compromise to competition (Costantino, Falagario & Iacobellis 2008:17).

1.4.5 Procurement Efficiency

One of the core principles and pillars of public procurement is efficiency (Madara et al 2009:25), which requires the execution of the public procurement process as cost effectively as possible and in a timely manner (Arrowsmith 2010:19). An important method for

achieving increased efficiency in procurement is through the decentralisation of authority and procurement processes. However, such decentralisation demands that a number of measures be adopted for it to record any successes; these measures include setting out clear public procurement regulations and guidelines that are comprehensive and well understood by everyone concerned from the head office level down to the entity level. Equally important also is the need to ensure that appropriately and professionally trained procurement personnel are available. Therefore public procurement aims to make the acquisition process in the public sector of goods and services more efficient, taking cognisance of the fact that such decentralisation will result in a duplication of effort and waste of scarce resources (Bossert & Bowser 2006:13).

1.4.6 Promotion and protection of local industry

Emerging nations face the task of deciding to open up their public procurement market or to create a favourable position for local industries (Ssennoga 2006:1). Promotion of local industry through public procurement can be achieved through laws with preferential conditions like the preferential price margin or domestic content requirement. The preferential price margin entails that procuring entities consider bids of local suppliers over foreign sources on condition that the price difference is less than a specific margin of preference.

In the USA the price preference margin has resulted in policies that favour procuring from local suppliers, such as the 'Buy America Act'. In line with that policy, the USA government offers 6% preference for procurement local suppliers and such preference is raised to 12% where purchases are made from small business and companies in regions of high unemployment. The domestic content requirement directs government purchases from non-local sources if foreign suppliers make a commitment to purchase a percentage of components from domestic firms (Ssennoga 2006:2).

In Zimbabwe, the public procurement process must support local business and industry through encouraging local players to participate in tenders, in line with Section 20 (S.I. 171 Zimbabwe 2002), whilst upholding the need to encourage competition through actively seeking quotes from local sources. The process provides for supporting and helping local industry to be more competitive and enhancing their capabilities by providing advice to unsuccessful bidders when requested. In an effort to advance this objective the Zimbabwean

procurement laws, through Section 20(2) of the Procurement Regulations (Zimbabwe 2002b), give local firms a 10% preference over non-local firms. Some benefits as a result of this objective include creation of employment.

1.4.7 Public Accountability

Accountability is a pillar in public procurement (Arrowsmith 2010:11; Soundry 2007:432). There is a need for transparency and accountable systems, given the vast resources consumed (Basheka 2008:380; Jeppesen, 2010; Madara et al 2009:24). Tsabora (2014:8) concurs, emphasising the importance of creating policies and procedures that enhance accountability in public procurement in Zimbabwe.

A common characteristic of the public procurement process is the use of elaborate procedures requiring strict compliance and records with explanations and justifications for every purchase decision made. The objective is to curb abuses in public procurement and to ensure that money contributed by the taxpayer is not diverted to enrich private individuals and appropriated from legitimate public services (Erridge 2007:1023). Accountability has been seen as a major problem in the conduct of public affairs in most African countries, including Zimbabwe (Basheka & Mugabira 2008:380), and this has been attributed to highly centralised forms of governance resulting in serious financial leakages through the public procurement process. Agaba and Shipman (2007:373) argue that the global trend towards decentralisation of public procurement decision making has been put in the hands of those responsible for the delivery of services. Therefore, accountability is established, and at the same time transparency about how public funds are being spent is enhanced.

1.4.8 Transparency

Transparency demands clear rules and the necessary mechanisms to ensure compliance with such rules, such as using clear unbiased specifications, standard evaluation criteria and standard bidding documents (Arrowsmith 2010:21). Procurement records are public and must be available for inspection by auditors. Mechanisms for debriefing unsuccessful bidders on the strengths and shortcomings of their own offers must also be in place. Transparency requires that any deviations from fair play are detected early on in the process, with a view to making such deviations less likely to occur (Ochrana & Pavel 2013:116)

Significant monies are involved in public procurement and these monies come from tax payers, hence the need for accountability and transparency (Hui et al 2011:567; Madara et al 2009:24). According to the OECD (2007:9), transparency dictates that the entire public procurement process should be executed in line with defined and well-publicised procurement laws, regulations and procedures leading to the evaluation and award of a contract (Zimbabwe 2002a; Zimbabwe 2002b). Against the background of the difference in the nature of goods and services required, public procurement officials should use these regulations and procedures when drafting tender documents, which should be in tandem with procurement entities' own standard purchasing conditions and in line with the public procurement laws and regulations.

1.4.9 Public Procurement and Non-Compliance Behavior

Public procurement has become an activity of paramount importance in many countries and is being subjected to public attention, reforms, restructuring, rules and regulations (Migosi, Ombuki, Ombuki & Evusa 2013:154). Hui et al (2011:567) note that the major hindrance in public procurement is non-compliance with regulations. The issue of non-compliance affects emerging countries and developed countries (Gelderman, Ghijsen & Brugman 2006:702). An analysis done by Hui et al (2011) revealed that in Malaysian state procurement, buyers were guilty of failing to comply with the procurement policies and procedures and the resultant effect was serious procurement malpractices.

A number of factors affect compliance and non-compliance with procurement regulations (Migosi et al 2013:158), with no single factor being responsible for compliance levels (Obanda 2010). Lack of knowledge and appreciation of the rules, processes and procedures in the procurement process has been noted as one of the most significant causes of non-compliance with procurement regulations (Onyinkwa, 2013:588). Migosi et al (2013:158) note that this lack of knowledge of the legal and institutional public procurement framework results in compliance problems. This was corroborated by Gelderman and Brugman (2006:702), who reported on a survey conducted with regard to compliance with EU procurement directives, where it was found that most non-compliance was as a result of a lack of knowledge and comprehension of the regulations. Eyaa and Oluka (2011:35) remark that a similar survey in Uganda, entitled "Explaining non-compliance in public procurement in Uganda", revealed that lack of knowledge and understanding of public procurement regulations was a major cause of non-compliance in public procurement. Thai (2009:3) states

that public procurement is an important tool for various countries to achieve socio-economic objectives; however, this is not achieved because of non-compliant behaviour and corruption. Hui et al (2011:567-593) highlight the importance of organisations targeting the implementation of effective compliance.

1.4.10 Public Procurement and Professionalism

Raymond (2008:782) is of the opinion that the procurement system is impacted by the level of education and skills of its staff. This affects the way procurement is carried out. Ethical behaviour and fair dealing in the public procurement process are distinctive characteristics of professionalism (Madara et al 2009:27). A lack of purchasing professionalism in public procurement and skills shortage has proved to be a serious drawback to the success to the implementation of public procurement in South Africa (McCarthy 2006:1; Migiro & Ambe 2008:230; Sheoraj 2007).

In a survey conducted in Ghana, it was found that in 49 procuring entities only 5% had procurement staff with appropriate procurement qualifications, with 95% lacking these qualifications (Ameyaw, Mensah & Osei-Tutu 2012:58). Lack of professional procurement staff has been noted as one of the major reasons affecting the public procurement process and the lack of success of procurement reforms. The findings of a research study conducted by Onyinkwa (2013:571) reveals that lack of procurement knowledge among the procurement staff remains a significant inhibition to the efficiency of procurement operations in Kenya and in developing countries.

While Zimbabwe has one of the highest literacy rates in Africa, formal training in diploma and degree courses at institutions of higher learning in procurement cover tendering only as a chapter and there is no specific training in public procurement.

1.4.11 Efficient and Effective Public Procurement System through Benchmarking

Public procurement system efficiency and effectiveness is premised on the need to enhance competition among suppliers (Thuo & Njeru: 2014: 70) and to achieve real value for money (Quinot & Arrowsmith 2013: 8). This facilitates delivery of services in a timely manner since the goods or services are purchased within an efficient market, thereby driving down costs. The aim of the public procurement process benchmarking is to determine what and where changes and improvements are necessary in the process and to analyse how other

organisations achieve their performance levels (Essig, Amman & Boerner 2010). This data can be used to improve public procurement processes of the organisation.

Benchmarking stimulates competition that is necessary to create an incentive effect in terms of comparing one's practice to that of another (Essig, Amann & Boerner, 2010; Knight, Harland, Telgen, Thai, Callender & Macken 2008: 249). Triantafillou (2007:829) states that this results in the improvement of the firm's performance and efficiency. Benchmarking for these reasons is of critical importance in public administration as benchmarks are able to raise standards of public services and service delivery without incurring any additional costs. As a strategy for enhancing the public procurement process, developing countries can benchmark their processes with those of developed countries with regard to public procurement legal frameworks, policies and procedures, process and the documentation used in the purchase of same product categories (Carpineti, Piga & Zanza 2009:484).

1.5 THE NEED FOR THE STUDY AND ITS AIM

Approximately 60% of government expenditure in Zimbabwe is attributable to public procurement, with 40% going to salaries and other costs. Diverse arguments have been presented from a number of perspectives, political, social, economic and professional on the importance of public procurement and its effect on service delivery and public sector performance in Zimbabwe. This 60% is viewed as significant for a country that is facing unprecedented liquidity challenges. The liquidity challenges are as a result of the economic sanctions imposed on the country, the alienation of the country from the West and dwindling donor support. Hence, the public procurement system in Zimbabwe has been under scrutiny, with many blaming failures to implement government projects and initiatives in the public procurement process (Daily News 2011:2).

In a test case in Zimbabwe, compliance with State Procurement Board (SPB) procedures and the public procurement process were blamed for the lagging behind of the construction and completion of a District Hospital in Gokwe North, for which project the government had allocated US\$600 000. It was also found that problems with the SPB affected the construction of the District Hospital adversely (Herald Business 2011a). In an article entitled "Zimbabwe: End of an era for the State Procurement Board", it was stated that the Zimbabwe Government had intentions to streamline operations of the SPB with the view to improving

efficiency and service delivery. Squabbles on how tenders for various projects are awarded result in delays and non-completion of crucial projects (Herald 2013:2).

Proponents of this argument to streamline the operations of the SPB state that amendments to the Procurement Act will result in the SPB being reduced to a regulatory role, leaving the adjudicating and awarding of tenders to the responsible ministries. This means that tenders will be awarded to competent firms. Advocates for streamlining the functions of the SPB have in the past argued that some of the people who won the tenders were "briefcase businessmen", who do not have the capacity to finance and manage multi-million dollar projects (World Bank 2012:13).

In a presentation on a procurement view of Zimbabwe (Biti 2011:93), Zimbabwe's Finance Minister stated that public procurement is an impediment in the successful implementation of public projects. The rate of project implementation in the country in 2011 dropped to 20–25% compared to the same period in 2010 when it was 35–40% of the annual implementation target. The implementation rate reflected the utilisation rate of disbursements that emanated from Treasury. Some organisations had utilisation rates as low as 7% and with local authorities the rates were in the range of 20%. The Minister of Finance attributed this to challenges related to tender procedures and regulations.

In an article entitled "Wean us from State Procurement Board", (The Herald: 2014) Chief Executive Officers of two government entities stated the need for these entities to be exempted from procuring goods and services through the SPB as the industry they are operating in competes with the private sector. Their argument was premised on the fact that their competitors are able to make procurement decisions faster as they are not subjected to the tendering process. They also argued that the use of the public procurement process results in their strategies being exposed to competitors.

It is against this background of the continuous 'blaming, naming and shaming' between the public enterprises and the public procurement process that this research is premised. The aim is to determine whether the challenges in the public procurement process detract from achieving service delivery in Zimbabwe. Research is inadequate and lacking in proper balance in the area of public procurement in emerging economies and this leaves a research gap which this study intends to address. Stakeholders in the public sector could gain useful

insights from the observations of this study, which would enhance their procurement processes and ultimately service delivery.

Studies in public procurement have generally been carried out with the emphasis on the process and its effectiveness in developed economies. Few studies have been conducted in emerging economies, particularly on the public procurement process and its efficiency in delivering public services. Therefore, this research aims to identify the obstacles in public procurement that detract from achieving public sector performance and service delivery in Zimbabwe. This study will contribute to the body of knowledge by identifying areas through which public sector procurement can be improved to enhance service delivery in Zimbabwe.

1.6 SCOPE OF THE STUDY

This study was carried out in Zimbabwe in the public sector, which includes all the public entities. Zimbabwe has 25 ministries and 52 parastatals, whose headquarters are in Harare, except for one, whose headquarters are in Bulawayo. Purchases within the FT category were used and the period under review is from 2009-2014, which is when Zimbabwe shelved the use of the Zimbabwe Dollar and assumed the American Dollar as its official currency in a multicurrency regime with currencies like the South African Rand, Botswana Pula and the British Pound being also acceptable for business purposes.

1.7 RATIONALE FOR THE STUDY

Previous researches in the area of public procurement in countries such as Ghana, Kenya and Uganda take different views on how the public procurement process affects service delivery (Basheka 2008: 402, Njeru & Thuo 2014: 77). Studies in these countries have noted a positive relationship between the public procurement process and service delivery (Basheka 2008: 402) whereas others found negative relationship between the two (Tadeo, Karuhanga & Mukokoma 2008: 15). Furthermore, these prior research has also shown that in developed countries public procurement has been a pillar in public sector performance and service delivery. However, there is no evidence to suggest that the same status quo has been achieved in the emerging world. It is against such background and because previous research has mostly concentrated on developing economies that this research study focuses on Zimbabwe, which is an emerging economy. The aim is to identify the challenges in the public

procurement process that detract from service delivery and to determine the extent of these challenges.

1.8 THE RESEARCH PROBLEM

The SPB, which is the custodian and implementer of the public procurement process, was accused of buying equipment that does not have appropriate service support, procuring materials that are substandard and procuring from “fly by night” suppliers. It was accused of engaging with contractors that do not have the capacity to carry out the work scope and of disregarding expert views (Gumbo & Mugabe 2014; *Newsday* 8 August 2012). The procurement process of floating a tender with neutral specifications that disregards technical inputs has been widely condemned as flawed and detracts from service delivery.

There have been numerous complaints by the health sector of medicine delivery delays, cases of delayed or non-completion of public contracts, patients’ failure to access healthcare due to equipment breakdowns (Chimberengwa, Masuka, Gombe, Tshimanga & Bangure, 2015: 1018), thereby putting the general populace at risk. Poor utilisation of disbursements and unrealistically high payments for services and products are attributed to the public procurement process (Thuo & Njeru 2014: 70). Therefore, this study seeks to identify procurement challenges that detract from service delivery in Zimbabwe, to determine the extent of these challenges and to make recommendations on how these challenges could be overcome.

1.9 THE RESEARCH QUESTION

What are the challenges in the public procurement process that detract from achieving service delivery in Zimbabwe?

Sub-Questions

1. How does the public procurement system operate in Zimbabwe?
2. What are the challenges in the procurement process that negatively affect service delivery in Zimbabwe?
3. To what extent are these challenges experienced?
4. How can these challenges be explained?

5. How can these challenges be overcome?
6. How can the public procurement process be improved to enhance service delivery?

1.10 RESEARCH OBJECTIVES

1.10.1 Primary Objective

The primary objective of the study is as follows:

- To identify the challenges in the procurement process that detract from achieving service delivery in Zimbabwe.

1.10.2 Secondary objectives

The secondary objectives of the study are as follows:

1. To provide insight into the public procurement process in Zimbabwe;
2. To identify challenges in the procurement process that negatively impact service delivery in Zimbabwe (through a qualitative investigation including in-depth semi-structured interviews);
3. To determine the extent of these challenges experienced (through a quantitative investigation by means of a questionnaire);
4. To explain the reasons for these challenges (through a qualitative section included in the questionnaire);
5. To identify and suggest recommendations to stakeholders in the public procurement sector in Zimbabwe to overcome the identified challenges; and
6. To identify and suggest to stakeholders in the public procurement sector how the procurement process could be improved to enhance service delivery.

1.11 RESEARCH METHODOLOGY AND ETHICAL CONSIDERATIONS

The purpose of the study, in line with the objectives as indicated in 1.9 above, is to identify the challenges in the procurement process that detract from achieving service delivery in Zimbabwe. Therefore, this study uses a mixed methodology that incorporates qualitative and quantitative approaches. This study is both a descriptive and exploratory study. Descriptive research describes what exists and helps in uncovering new facts and meaning and its main purpose is to observe, describe and document aspects of a situation as it occurs naturally. The

study aims to describe the public procurement process in Zimbabwe with the view to exploring the challenges encountered in the process. Exploratory research is used for a problem that has not been clearly defined and when the objective of the study is to gain familiarity and understanding of a phenomenon or gain new knowledge of it so as to formulate a more precise problem statement or develop hypothesis (Shields & Rangarjan 2013). The study aims to explore the challenges in the public procurement process that detracts service delivery.

The first secondary objective was achieved through the review of the relevant literature which is addressed in Chapters 2 and 3. In order to achieve secondary objectives two, three and four, primary data was collected. The primary data collection consisted of two phases. The first phase consisted of semi-structured in-depth interviews with procurement staff at two ministries and three public entities. Convenience sampling was used to select the public entities. The two ministries were selected because they provide critical services, health and transport. The three public entities were selected on the basis of the services they provide, that is, energy, the distribution of anti-retroviral drugs and fuel. The population of this study is made up of 25 ministries and 52 public entities in Zimbabwe. The participants of the study are listed in Table 1.1.

Table 1.1: List of participants 1

| Interviewee | Position |
|--------------------|---|
| Participant 1 | Procurement Officer. Ministry of Health and Child Welfare. |
| Participant 2 | Administrator-Procurement and Contracts. Ministry of Transport and Infrastructural Development. |
| Participant 3 | Procurement Officer. National Aids Council. |
| Participant 4 | Procurement Manager. Zimbabwe Power Company. |
| Participant 5 | Procurement Officer. Petrotrade. |

The objective of using the interviews method of collecting data was to identify challenges in the procurement process that negatively affect service delivery. Once the challenges were

identified, a questionnaire was designed with all the identified challenges from the literature review and the semi-structured interviews. The aim of the questionnaire was to test the identified challenges, determine their extent and explain the reasons for these challenges. The results of this study are dealt with in Chapter 6.

The second phase of the research study consisted of sending out the questionnaire to the target population. The target population refers to the entire group of individuals or objects of which researchers are interested in generalising the conclusions (Saunders, Lewis & Thornhill 2007:5). The total target population is made up of 25 ministries, 52 parastatals. 72 questionnaires were sent to respondents, and a response rate of 86% was achieved. The completed questionnaires were coded by a statistician and the responses captured in the Statistical Package for the Social Sciences Version 21. The results of this chapter are dealt with in Chapter 6.

Chapter 7 deals with the primary and secondary objectives five and six of this study, namely recommendations and conclusions.

The research was guided by the ethical standards set by the University of KwaZulu-Natal. Once a gatekeeper's letter was obtained from the Office of the President and Cabinet in November 12, 2013 (see Appendix A), ethical clearance for the first phase of the data collection was applied for. In January 2014, the ethical clearance was approved by the University of Kwa-Zulu Natal Ethics Committee (see Appendix B). The five participants included in the first phase (interviews) of data collection signed the informed consent document before interviews were conducted.

After the first phase of data collection, a questionnaire was drawn up for the second phase. In June 2014, ethical clearance for the second phase was applied for and granted. All respondents also signed the informed consent before completing the questionnaires (see Appendix C).

1.12 EXPECTED CONTRIBUTION TO THE BODY OF KNOWLEDGE

It would be reasonable to argue that public procurement plays a significant role in delivery of public services and public sector performance. Studies alluded to earlier reveal that 60% of

government expenditure in Zimbabwe is attributable to public procurement. While the subject of public procurement has increasingly become important as a result of that fact that it is a drain on the fiscus, justice has not been done in terms of research on the public procurement process in emerging economies. Prior research reveals that some significant progress has been recorded regarding the application and success of the philosophy in developed economies. However, despite such progress in these areas, there are few or no recorded studies on emerging economies, dealing with its successes and the direct effect on service delivery. However, it is acknowledged that the concept is being widely used in these countries. This research explores the use of this concept in emerging economies where economic fundamentals and other environmental variables are not predictable. This research is original and will add an important perspective to studies in the area of public procurement and the body of knowledge.

1.13 LIMITATIONS OF THE RESEARCH STUDY

Accessing certain information from the some ministries and government organs, particularly those that deal with national security issues, was a challenge as some information in these areas is deemed to be confidential. Also, no similar research has been done in Zimbabwe and some of the respondents in the high offices may have felt that it was aimed at exposing their technical and other inadequacies, which may impact negatively on their employment contracts. Some respondents could also have been sceptical about the objectives of the interviews for fear of the unknown as a result of not having been exposed to such research.

The researcher approached the relevant ministers and heads of parastatals for assistance in the dissemination of information as far as the objectives of the research were concerned so that respondents were free to express their views and respond to questions with a free mind. These heads wrote official letters granting permission to the researcher to access certain information and allow access to records and statistics of economic activities as well as to interview certain people in the departments as well as to access records and statistics of economic activities.

1.14 AN OVERVIEW OF THESES ON RELATED RESEARCH

A search conducted on the Nexus Database in South Africa for studies in the field of public procurement in Zimbabwe ascertained that there are no similar studies to this proposed study.

Some of the previous studies on public procurement on the Nexus data base done in the past five years are summarised in the following table (Table 1.2).

Table 1.2: Previous studies in public procurement

| Year | NAME | Title and Degree Type | UNIVERSITY |
|-------------|----------------------------------|--|---|
| 2012 | Maxwell Sergeant Sabilika | Evaluating the Efficacy of Anti-Corruption measures in the Procurement System: A case study of Marondera Municipality in Mashonaland East of Zimbabwe (Masters in Public Administration) | University of Fort Hare, South Africa |
| 2012 | Van der Walt, EM | Innovations in South African Public Service Procurement Policy: 1999-2005 (Masters in Public Administration). | UNISA, South Africa |
| 2010 | De La HarpeSPLeR | Public Procurement Law: a Comparative Analysis (PhD) | UNISA, South Africa |
| 2009 | Rumbidzai E. Tizora | Bureaucratic Corruption in Zimbabwe (MPhil Environmental and Developmental Economics) | University of Oslo |
| 2009 | Motsiri, PM | Public Sector Procurement as Strategic Tool for Black Economic Empowerment at Sedibeng District Municipality (Masters in Development and Management). | North West University 2009 |
| 2009 | Bopape, PM | The Impact of Current Public Sector Procurement Strategies on the South African Small, Medium and Micro Enterprises (SMME) Sector in the Construction Industry (Masters) | Cape Peninsula University of Technology 2009 |

The studies referred to in table 1.2 explore a number of significant areas in public procurement. Areas include corruption in public procurement, public procurement as a tool for achieving black economic empowerment and its impact on economic sectors such as the SMEs. However, it must be stressed that whilst these are important areas in public procurement, actual problems and challenges in the public procurement process that detract

from service delivery in Zimbabwe have not been deal with. Identifying the challenges in the public procurement process will assist in determining the impact of public procurement strategies/policies or laws in government on service delivery in Zimbabwe. This research is premised on the fact that criticism in public procurement has not necessarily been directed at the major root causes of corruption in public procurement or its failure to achieve important national economic goals – that is to identify public procurement process challenges. Therefore this research is aimed at addressing the research gap in public procurement, which is the need to explore the basic challenges of the public procurement process, whether they detract from service delivery and how these challenges could be overcome.

1.15 OUTLINE OF THESIS

Chapter 1: Introduction and background of the study

This chapter introduces the study and explains the area of the study; it provides a definition of research problem and question, describing the aims of the study, the research objectives and scope, limitations, delimitations and contributions to be made by the research.

Chapter 2: The procurement and public procurement process

Chapter 2 presents a review of prior research and the literature in the area of procurement and public procurement. Past empirical studies on the area under study are reviewed under this particular section.

Chapter 3: Challenges in the public procurement process detracting service delivery

Chapter 3 identifies the challenges and challenges in the public procurement process that detract from service delivery in the public sector. It also discusses the challenges in the public procurement process experienced in other countries.

Chapter 4: Research Methodology

The chapter explains the research design used in the research, the research population, sampling method and procedures, data collection instruments and procedures. Validity, reliability and generalisability of data are also explained in this section.

Chapter 5: Phase 1 of the study: discussion and analysis of the results

This chapter presents Phase I of the study. Data is presented in tabular and graphical form for ease of comprehension and analysis.

Chapter 6: Phase II of the study: discussion and analysis of the data

Chapter 6 presents the findings of the second phase of the study. Data is analysed through statistical and non-statistical means to derive meaning from the data accumulated.

Chapter 7: Summary, recommendations, caveats, and suggestions for future research

The concluding chapter provides the summary of the results. The conclusions made through the analysis of the results are stated, while recommendations and suggestions for further research are also made.

CHAPTER 2: THE PROCUREMENT AND PUBLIC PROCUREMENT PROCESS

2.1 INTRODUCTION

The previous chapter dealt primarily with the background and introduction to the study and indicated that the main objective of this study is to identify the challenges in the procurement process that detract from achieving service delivery in Zimbabwe. In order to be able to conduct empirical research, it was necessary first to build a theoretical foundation on this topic to ensure that the research would provide insight into procurement and the procurement process.

This chapter aims to achieve secondary objective one, that is, to provide insight into the public process in Zimbabwe. Therefore, Chapter 2 examines various studies in the field of procurement and public procurement, providing an overview of the procurement process and public procurement, as well as public procurement and the public procurement process in Zimbabwe.

2.2 OVERVIEW OF PROCUREMENT PROCESS

The primary objective of procurement is to acquire the right goods, services or works at the best possible terms to meet organisational needs in terms of the right quality and the right quantity, right time, and right location (Emmertt & Wright 2011:5; Johnsen, Howard & Miemczyk 2014:9). Whether the acquired goods and services fall into the category of direct procurement or of indirect procurement is determined by their use (Caldwell, Roehrich & Davies, 2009:178; Lewis & Roehrich, 2009:125). Table 2.1 compares the two types of procurement and their common features. It presents the nature of products or materials procured under each type, that is, raw material and production goods under direct procurement and repair and operational supplies under indirect procurement. The features in Table 2.1, that is, the quantity, the frequency of purchases, the value of the goods and the nature of the goods are the major determinants of whether the direct or indirect procurement method is used.

Table 2.1 Direct and indirect procurement

| Direct procurement versus indirect procurement | | | | |
|---|------------------|--|---|---|
| | | Direct procurement | Indirect procurement | |
| Nature of materials | | Raw materials | Operating supplies | Capital goods and equipment |
| FEATURES | Quantity | Very large (tonnes) | Low often on demand (units) | Very low (units) |
| | Frequency | Very high (Mineral ore) | Relatively high (consumables spare parts) | Very low (road construction equipment, i.e. graders, excavators and industrial equipment i.e. assembly plant equipment) |
| | Value | Depends on nature of industry | Low | Very high |
| | Nature | Operational | Tactical | Strategic |
| | Examples | Mineral ore, crude oil, agricultural produce | Consumables, spare parts, standard items | Mineral ore storage facilities |

Source: Adapted from Caldwell, N.D., Roehrich, J.K. & Davies, A.C. 2009. Procuring complex performance in construction: London Heathrow Terminal 5. *Journal of Purchasing and Supply Management*, 15(3):178-186.

As indicated in Table 2.1, direct procurement is usually associated with manufacturing industries where purchased material is for direct consumption in production. It is made up of all the materials that will form part of the final product, such as raw material (e.g. mineral ore, agricultural produce) and components (e.g. car assembly kits and parts). Direct procurement derives its importance in supply chain management from its direct impact on the production process of manufacturing firms.

Indirect procurement activities are concerned with resources which firms procure for purposes of facilitating and supporting their everyday operations, such as standard items,

including office stationery and supplies, and consulting services to more complex products like plant and equipment (Caldwell et al 2009:178; Lewis & Roehrich, 2009:125).

2.3 OBJECTIVES OF PROCUREMENT AND THE FIVE RIGHTS

Purchasing aims at maintaining the quality and value of a company's products through the procurement of quality materials (Emmertt & Crocker 2008:1; Emmertt & Wright 2011:1). It also aims at minimising cash tied up in inventory through a number of inventory control methods. Continuous flow of production through a continuous flow of inputs is a major aim of procurement. The firm's competitiveness is also enhanced through the use of cost effective procurement methods. However, procurement objectives in their general form are constituted by five 'rights', namely, the right time, the right source, the right place, the right price and the right product (Lysons & Farrington 2012:322).

The five rights provide a simplified explanation of the traditional objectives of the procurement function. The five rights comprise getting the right material, from the right sources, to the right place, at the right time, at the right price (Emmertt & Crocker 2008:1; Emmertt & Wright 2011:6) and in the right quantities (Lysons & Farrington 2012:322). However, it is important to note that in reality it is not always possible to achieve all of the five rights at the same time. Getting the goods at right time is more important than the right price in some instances. This means that the five rights are not always equally important and their importance is circumstantial. It is difficult for the buyer to consider them all as a set of objectives to consider as 'the right price' is often the most important indicator for purchasing performance. It is also important to remember that early deliveries may not be favourable, as they impact on increasing warehouse and handling costs (Toppari 2009:1; Zheng, Knight, Hartland, Humby & James 2007:69). The five rights form a good base for purchasing theory. The firm might put them into order and each of them could be given an importance factor as determined by the circumstances. This would help the purchasing department make the final decisions of where to buy and at what price (Leenders & Fearon 2008:1; Toppari 2009:13). Whilst these are the general objectives of purchasing, public procurement may have additional objectives, such as social or economic objectives, but the procurement process itself aims to achieve the five rights of purchasing.

Various debates have concluded that the five rights are a fraction of what is expected of procurement departments, given the different procurement challenges being faced. The right price has advanced into the right total cost and value. Price remains an important element of total cost and value, but coexists alongside other components that have more recently received much attention, resulting in the development of 20 additional rights, so that there are 25 rights in total. This change is substantiated by the fact that procurement is very different today than it was two to three decades ago. It is also argued that, as the field of procurement is evolving, its models must evolve as well (Dominick 2013). The other 20 rights retain the five main rights, as the basis but include also: right warranty, right payment terms, right innovation, right social responsibility, right total cost, right availability, right agility, right convenience, right safety practices, right compliance, right country, right environmental responsibility, right ethics, right supplier support, right risk management, right financial stability, right commitment to continuous improvements, right technology, right contractual terms, right reputation, right experience, right convenience and right safety practices.

2.4 THE PROCUREMENT CYCLE

According to Emmertt and Crocker (2008:77), it is vital in any company that management fully comprehend the cycle involved in procuring its products and services. The procurement cycle is a logical step by step process from need identification right through to the eventual delivery, inspection and acceptance of the product or signing of a contract (Emmertt & Wright 2011:23; van Der Walt 2007:205). However, the procurement cycle that organisations use may not necessarily always take the same steps as it may depend on other factors such as urgency (Handfield 2011:1). As explained by van Weele (2010:10) and corroborated by Handfield (2011:1), the procurement cycle generally follows nine steps. The steps are as follows:

Step 1: Need recognition

Step 2: Specifying the need

Step 3: Source options / supplier selection

Step 4: Pricing and terms

Step 5: Purchase order processing

Step 6: Expediting and progress chasing

Step 7: Receipt and inspection

Step 8: Invoice approval and payment

Step 9: Record maintenance

Each of these steps is briefly explained below.

2.4.1 Step 1: Need Recognition

Procurement activities in an organisation are initiated by the need for a material or a service. Organisational material requirements are categorised into two broad categories, namely, inventory items and non-inventory items. When a department requires an item which is a non-inventory item, the department concerned is required to describe the need. This implies explicitly creating or writing down the specifications of the item required, the units or quantity required of the item and other related information to enable further processing (Halchin, 2012:1; van Weele, 2010).

For inventory items there are usually predetermined forecasting techniques that determine what could be needed and when (Chen, Lu & Xu 2012:1). The need for an item may occur at regular intervals, normally known as the reorder period, or when stocks reach a certain predetermined quantity, known as the reorder level. Items could be consumables like items required to run a machine or certain raw materials needed for production and manufacturing (Jacobs, Berry, Whybark, Vollman 2011:469; Sollish & Semanik 2012:311).

The requirements must be clearly defined because at this stage the precise need description will lead to getting the right material or service. Once the purchaser receives the material requirement, through a material requisition, the requisition is checked for correctness and completeness to ensure that the appropriate method has been used to satisfy the requisition originator and also to select the source (Sollish & Semanik 2012:25).

2.4.2 Step 2: Specifying the Need

According to Martson (2012:6), procuring the right product is critical for the company as it guarantees continuous production. Certain industries have standards to help determine right specifications. In manufacturing, the automotive industries and information technology, part numbers help identify the specifications, while other industries have no point of reference. Unless the requirement is a repeat order, the firm must specify the necessary product by using identifiers such as shape, size, dimensions, colour or weight (Bailey, Farmer, Crocker,

Jessop, & Jones, 2008:141; Sollish & Semanik 2012:2). Once the need for a specific item or service has been confirmed, the need is transmitted to procurement either manually or electronically for further processing at their end. Transmission of the need to the purchasing department is usually done by means of a purchase requisition, which can be electronic or manual. A purchase requisition is a document used to specify the requirement and sent to the procurement department for further processing (Sollish & Semanik 2012:25).

2.4.3 Step 3: Source Options / Supplier Selection

According to Lysons and Farrington (2012:358) and Emmertt and Wright (2011:30), supplier selection presents a major challenge for any procurement manager. Imeri (2013:64) identifies important multiple criteria considered in the process of supplier selection. In his examination of 74 articles on selection criteria, he found that many of the articles had more than one criterion and the top ten criteria ranked are price, delivery and quality, as shown in Table 2.2.

Table 2.2 Ranking of supplier selection criteria

| Rank | Rating | Criteria | No. of Articles out of 74 | %age |
|------|--------|--|---------------------------|------|
| 6 | 1 | Net Price | 61 | 80% |
| 2 | 1 | Delivery | 44 | 58% |
| 1 | 1A | Quality | 40 | 52% |
| 5 | 1 | Production facilities and capabilities | 23 | 30% |
| 20 | 2 | Geographical location | 16 | 21% |
| 7 | 1 | Technical abilities | 15 | 20% |
| 13 | 2 | Management and position in industry | 10 | 13% |
| 11 | 2 | Reputation and position in industry | 8 | 11% |
| 8 | 1 | Financial position | 7 | 9% |
| 3 | 1 | Performance history | 7 | 9% |

Ratings: 1A = Extreme Importance, 2 = Average Importance, 1 = Considerable Importance, 3 = Slight Importance

Source: Imeri, S. 2013. Key performance criteria for vendor selection: A literature review. *Management Research and Practice*, 5(2):63-75.

In line with the basic objectives of purchasing, a procurement manager has to ensure that the material requirements are purchased from the right source. The same criteria are important in all public procurement processes but their relative importance and how criteria may be rated may be different depending on the circumstances (Beil 2009:1; UCL2011:10).

Once the purchase requisition is received in the purchasing department, it is scrutinised to check for the following important issues:

- The completeness of specifications, including drawings if necessary
- Stock on hand and expected deliveries
- Availability of funds.

Once the requisition has been checked, the next activity involves sourcing. The mode of sourcing is decided at this stage and this often depends on the nature of purchases and the nature of the organisation (Abdolshah 2013:1; Bailey et al 2008:198; Martson 2012:7). In most private organisations, if the number of items is not large and the suppliers are known, a purchase order can be placed (Bailey et al 2008:150; Imeri 2013:63). However, in government entities the public procurement system of tendering is used (Emmertt & Wright 2011:45).

Tendering is a long process by which a potential source is identified beginning with advertising in national newspapers and extending to actual engagement through contract signing (S.I. 171 of 2002, Sec 4:4). The invitation to tender contains the details of materials required as well as the terms and conditions applicable for entering into an agreement with the seller. In Zimbabwe, the type of tender assumed for particular purchase in public procurement is dependent on thresholds as dictated by public procurement laws and regulations, namely, the Procurement Act (Chapter 22:14), (Act No. 2 of 1999) (Zimbabwe Government 1999) and Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002).

2.4.4 Step 4: Price and Terms

This stage involves the determination of the best price and will depend on whether the company needs standard or non-standard items (Bailey et al 2008:225; Sollish & Semanik 2012:3). Usually a business will consider at least three quotations from suppliers before it

makes a final decision as to who to procure from. However, in public procurement a number of factors need to be considered for a supplier to be the lowest recommended bidder to specification (Bailey et al 2008:84), which does not necessarily mean the lowest price will suffice (Imeri 2013:64; Procurement Regulations, Statutory Instrument 171 of 2002, Zimbabwe Government 2002, Sec 19:9).

2.4.5 Step 5: Purchase Order

When procurement is satisfied with the selected source, pricing and terms, the purchase order is prepared (Emmertt & Wright 2011:76; Martson 2012:6). It is drafted electronically or manually. The purchase agreement must be carefully worded because once it is signed it becomes a legally binding document, which means parties can sue or be sued on the basis of the document. The purchase order indicates important information about the purchase, which includes the quantity required, product specification, required quality standards, price, delivery periods and lead times, mode of delivery, purchase order number, and the order due date (Hugo 2011:88; UCL 2011:9). Most entities have now adopted new technologies of electronic transmission of these documents through electronic data interchange.

The purchase order is usually delivered in a number of ways, which include fax, personally, mail, email or electronically using means like electronic data interchange (EDI). Some purchase orders specify a preferred delivery method. The supplier or bidder should normally acknowledge receipt of the purchase order by the means by which the order has been delivered and both parties should keep a copy for future reference (Sharma & Mutsaddi 2010:287).

2.4.6 Step 6: Expediting / Progress chasing

The expediting of orders is an integral element of the procurement process, which normally involves following up orders and progress chasing (Bailey et al 2008:193; Emmertt & Crocker 2008:100). The aim of expediting orders is to address the timeliness of the service or materials delivered, for example, to ensure that no delays in delivery are experienced. The most important issues at this stage which may require expediting include delays in payment dates, delivery times and contract completion (Musanzikwa 2013:122). Expediting should be used as a preventative function rather than a corrective one. Expediting is a process which should be continuous from the time of placing the order in order to ensure that final delivery

of goods is achieved within the shortest possible time (Crocker, Jessop & Morrison 2011:50; Musanzikwa 2013:122).

2.4.7 Step 7: Receipt and Inspection of Purchases

Receipt and inspection of materials is carried out when purchase orders have been fulfilled, normally through a delivery (Crocker et al 2011:47, 53). On delivery of the product, the recipient compares the purchase order against the received products and accepts or rejects the items following the comparison and inspection. The user department is usually involved in the inspection, particularly for non-standard items which are technical and complex. Such inspection may also be done through acceptance testing, for example, chemicals may require laboratory analysis before being certified as meeting expected standards, while computer software may require actual use by users to be satisfied with its features and capability to meet requirements (Lewis & Roehrich 2009; Shaw 2010). Once items have been accepted, the receiving firm has an obligation to pay for the items.

2.4.8 Step 8: Invoice Approval and Payment

Before payment of a product can be processed, three important documents must match, that is, the invoice itself, the receiving document, normally called the goods received voucher, and the original purchase order. The matching of these documents signals confirmation of satisfaction on the part of both the buying and supplying firm and in the event of any discrepancies parties must be in agreement before the buying firm pays the invoice; such payment can be done using cash, bank transfers, letters of credit or other types of electronic transfers (Lewis & Roehrich 2009; Shaw 2010).

2.4.9 Step 9: Record Maintenance

The company must maintain proper records, which form an audit trail should the need arise for procurement audits (Crocker et al 2011:73). Purchase records are also required for reference purposes for future purchases so that satisfactory performance can result in repeat orders. This stage means that the received materials are now ready for issue through the issue procedures for consumption in production or manufacturing (Crocker et al 2011:62; van Weele, 2009).

This concludes the description of the procurement process. The next section (2.5) provides insight into public procurement and public procurement process.

2.5 PUBLIC PROCUREMENT

2.5.1 Overview of Public Procurement

Public procurement has become an issue of public scrutiny due to the significant financial investment by governments, which has resulted in its being subjected to reforms and restructuring (Thai 2008; 131). The issue of public procurement refers to the acquisition of goods, services and works by a procuring entity using public funds (Bailey et al 2008:84). Hugo and Badenhorst (2011:287) argue that public bodies make purchases that deal with significant budgets, hence the need to recognise the importance of public procurement (Moeti, Khalo, Mafunisa, Nsingo & Makonda 2007:122). According to Hui et al (2011:567), monies that come from the public have to be spent in the most transparent and accountable manner. Many countries have reformed procurement laws and regulations so as to improve transparency and accountability. The major challenge has been around the failure by the agents to comply with these regulations. However, as an organisational outcome, compliance has traditionally been understood as conformity or obedience to regulations and legislation (Lisa 2010:702).

Public procurement consumes a significant high proportion of government expenditure, constituting 18.42% of the world's GDP (Mahmood, 2010:12; Mamiro 2010:1). Basheka and Bisangabasaija (2010:91) acknowledge that public procurement is progressively being recognised as of paramount importance to service delivery by developing countries. In emerging economies, public procurement represents approximately 9-13% of the nation's GDP. Knight et al (2007:1) note that public procurement constitutes significant proportions of total expenditure in Kenya where it constitutes 60%, while in Angola it constitutes 58% and in Uganda 70% of public spending.

Procurement officials make decisions in an environment of increasingly intense scrutiny and accelerated changes driven by technology, programme reviews and political expectations for service improvements (Bolton 2006: 193; Eyaa & Oluka, 2011:35). Public procurement is an important area that requires close attention as procurement staff in public entities is governed by regulations, policies and procedures. The level of compliance to procurement regulations determines whether government meets its goals and objectives or not as well as affecting many internal and external stakeholders (Smart Procurement 2011). According to De Lange (2011), significant monies are wasted every year due to poor management of public

procurement policies. De Lange (2011) cites an example of taxpayers in South Africa being fleeced of R30bn through corruption, incompetence and negligence by public officers. Therefore staff in the public sector should be managed to ensure that they comply with the relevant regulation, policies and procedures.

Many countries have tried to come up with procurement reforms in order to improve the management of public procurement (Thai 2008:131). Over the last few years, almost all countries have implemented changes in their procurement system. Thai (2008:511) indicates that the challenges in public procurement go beyond procurement regulations and extend to procurement processes, methods adopted by various countries and also employees' perceptions.

2.5.2 Public Procurement Laws and Regulations

Public procurement represents a set of rules, policies and procedures that guide a government's activities of purchasing goods, services, and works (Azeem 2007). The public procurement laws and regulations explain how governments should organise and structure their procurement processes and the activities that directly impact on the execution of the procurement process and ultimately the quality of procurement outcomes such as service delivery. However, how the laws and regulations influence the public procurement process varies between different countries as some countries are developed whilst others are still in different stages of development.

For example, in Uganda, a new law enacted to regulate public procurement activities was introduced in the 2002. Before its promulgation, public procurement operated in a haphazard fashion, guided by uncoordinated government rules and regulations characterised by a multitude of procurement boards and an avalanche of procurement practices and processes. The new procurement law was promulgated to bring sanity and uniformity in public procurement processes as well as to improve the efficiency and transparency of the process. Another objective was to improve accountability and achieve best value for money. The aim was also to minimise and eliminate corrupt tendencies and promotion of fair competition and to improve service delivery (Government of Uganda 2002). The new laws therefore aim at ensuring that the country's public procurement process maximises the purchase of goods through service delivery and allows market forces to function properly during the

performance of procurement activities. Public procurement law acts as the basis of procurement activities in the public sector so as to achieve the basic objective of public procurement, which is service delivery. People in public procurement have an obligation to use the law for the benefit of the owners of the funds, who are the taxpayers, through delivery of public services.

In Zimbabwe, on the other hand, the public procurement process is governed by the Procurement Act (Chapter 22:14), (Act No. 2 of 1999) (Zimbabwe Government 1999) as read with the Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002). The sections, 2.6 and 2.7, provide insight into public procurement and the public procurement process in Zimbabwe.

2.6. IMPORTANT SOCIO-ECONOMIC CONSIDERATIONS IN PUBLIC PROCUREMENT

The public procurement process is a process that starts from budget allocation through procurement planning, invitation of bids and evaluation of bids contract award, management and performance evaluation. It is an important activity as it supports the delivery of a procuring entity's strategic objectives and the meeting of the service expectations of the citizens and taxpayers at large (Mamiro 2010:5).

It is important that public procurement personnel carry out the procurement function diligently and fairly so as to enhance best value for public money through service delivery (Mamiro 2010:6; Thai 2008:427). AOs and procuring entities must achieve cost effectiveness and efficiency in the use of public resources while maintaining the highest standards of integrity in the provisioning of public services. Public Procurement practices in Zimbabwe are subject to audit and scrutiny under the Audit Office Act (Chapter 22:18) of 2009 (Zimbabwe Government 2009) Section 5.

2.6.1 Public Procurement Objectives

Procurement (including public procurement) objectives are all based on the need to acquire the right product from the right place at the right time, at the right price and in the right quantities. These are the fundamental bases for the objectives of any type of procurement. However, public procurement objectives also include other socio-economic objectives (Ambe & Badenhorst-Weiss 2012:244; Thai 2009:2). Essentially, it is important to note that these

will ultimately lead to the achievement of the basic objectives. This section will discuss public procurement objectives and their importance.

2.6.2 Public Procurement as a Development Tool

Public procurement avails business opportunities, creates employment opportunities and is useful in advancing the government policy of facilitating socio-economic development. Developing countries, such as Brazil, the Philippines and Namibia, have used public procurement to further objectives such as job creation (Nel & Rogerson 2005:102). According to Emmertt and Wright (2011:7), public procurement has the potential to contribute to local economic development as a tool for poverty reduction and for that reason it has continued to receive attention (Murray 2009).

Currently in South Africa, public procurement has become a policy issue as a result of discrimination and unfair practices during the apartheid era (Pomazalova 2012:254). Public procurement is critical to service delivery as well as to promoting socio-economic, industrial and environmental policies and has been used in Malaysia as a tool for improving local governance and accountability (Pomazalova 2012:276). Despite its long history and its effect on government expenditure, the effect of public procurement on public service delivery has not been the subject of considerable academic research and has been a neglected area of interest by academics particularly in the developing world.

In most of the countries such as Angola, Benin, Botswana, Burundi and Burkina Faso and other Sub Saharan African countries (de Mariz, Mernard and Abeille 2014: 23), public procurement often constitutes the largest portion of how governments spend their funds. Public procurement is the pillar of success of both developing and developed economies. Through public procurement the Zimbabwe government can meet important developmental objectives like provision of infrastructure, such as roads, bridges, railways, clinics and hospitals, sewage and water reticulation, and the supply of essentials drugs (Emmertt & Wright 2011:8).

2.6.3 Public Procurement and Value for Money

Value for money is a broad phenomenon encompassing a range of important factors and it is important to understand the implications value has for the public sector (Dominick & Lunney 2012:10). The value for money objective is of critical importance in procurement in both

private and public sectors (Mamiro 2010:4). In that regard it is important to recognise the importance of the first basic purchasing objectives commonly referred to as the five Rs of purchasing, namely, to purchase the right product, in the right quantities, from the right source, at the right time and at the right price (Bailey et al 2008:84). Public procurement is important to governments as it stimulates economic activity and growth through enhancing competitiveness of local industrial sectors as well as protecting national industries from cut throat foreign competition (Quinot & Arrowsmith 2013:374) The objective is the provision of fundamental service delivery to the country's citizens in an economic and cost effective manner.

Value for money is of critical importance in the area of procurement. The concept of value for money in public procurement looks at the contribution to be made in achieving government policy objectives and priorities while aiding the attainment of best returns and performance against the taxpayer's money spent (Weishaar 2013:243). In public procurement, government considers other important criteria besides just the lowest price. These include, among others, the technical capabilities of a firm, the financial stability of a firm, qualifications of key project personnel and historical performance records (Procurement Act (Chapter 22:14) section 32:17, (Act No. 2 of 1999) (Zimbabwe Government 1999). Some of the challenges in achieving value for money are weak governing policies and laws, political environment, culture, and lack of procurement training programmes (Mamiro 2010:4). In complex purchases, value is more determined by quality and performance issues as these are more prominent than the cost of the purchase. Lowest price does not necessarily mean lowest cost over the life of the product. Public procurement facilitates a competitive process which results in enhanced value for money in procurement.

Worldwide, public procurement is now experiencing pressure from various quarters to go beyond simply complying with laws, policies and procedures and to address value for money considerations. There is widespread criticism of public procurement processes. In most countries, public procurement legal frameworks are concerned about compliance without regard for outcomes of the procurement process. Governments are exposed to financial losses when higher bids above the average market rates are awarded tenders, with lower priced bids being disqualified for failure to comply with procedural requirements (Sabiita & Mahumuza 2012:2043).

In Zimbabwe, failure to utilise government funds and votes has been attributed to “cumbersome” public procurement procedures and rules (Biti, 2011b). Consequently, the important questions to answer are whether the current public procurement regulatory framework in Zimbabwe sufficiently targets performance or focuses on compliance to regulations and procedures alone without delivering value for money (Sabiiti & Mahumuza 2012).

2.6.4 Procurement Efficiency

Public procurement should aim to improve the efficiency of procurement in government and it is one of the policy issues that governments formulate to improve government efficiency and service delivery (Gupta 2011:16; Madara et al 2009:25). An important method of achieving increased efficiency in procurement is through the decentralisation of authority and procurement processes. For decentralisation to record any success it requires the assumption of a number of measures such as explicitly laying down clear and comprehensive public procurement regulations and guidelines understood by all those involved, from head office level to procuring entity level. Equally important is ensuring that properly and professionally trained public procurement officers are available. Therefore, public procurement seeks to make the acquisition process of goods and services in the public sector much more efficient, taking cognisance of the fact that such decentralisation will result in duplication of effort and waste of scarce resources (Thai 2008:9).

2.6.5 Promotion and protection of local industry

A study conducted during the 1980s revealed that 99.6% of all purchases made by British public sector organisations had been supplied by British sources. In an effort to advance this objective of promoting local industry, the Zimbabwean procurement laws through Section 20(2) of the Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002) state that local firms will be given a 10% preference over non-local firms. Benefits also include creation of employment protection and promotion of local industries. It is important that the public procurement regulations consider promotion of local industry as a major objective (Quinot & Arrowsmith 2013:100). This has been a major issue in Zimbabwe, with a number of industrial sectors complaining vehemently that the public procurement legislation was not supportive of the local sector, especially in the motor vehicle sector (Zengeni & Mwanawashe, 2015. In the article it was noted that last year a total of US\$469 million was spent by Zimbabweans on vehicle imports from different countries, particularly

Japan, the United Kingdom and South Africa. Capacity utilisation of local car assemblers (i.e. Willowvale Motor Industries and Quest Motor Corporation) fell to between 10% and 5%, with growing calls to capacitate local car assemblers to meet the objectives of Zim-Asset Economic blueprint. The government is inundated with pressure to come up with enforcing measures to implement the Presidential Procurement Order (Cabinet Circular 16 of 2011) on the purchasing of vehicles by public institutions to enable the motor assembly industry to recover.

2.6.6 Public accountability

As stated by Soundry (2007:432), accountability is a pillar in public procurement. This is supported by Jeppesen (2010), who explains the need to have transparent and accountable systems, given the resources consumed. The public also demands greater accountability and better service (Knight et al 2007:7; van Weele 2010:106). According to Erridge (2007:1023), public procurement aims to ensure that the taxpayer's money is put to appropriate use. The public procurement process is characterised by the use of elaborate procedures requiring strict compliance and records with explanations and justifications for every purchase decision made. The objective is to curb abuse in public procurement and to ensure that that money contributed by the taxpayer is not diverted to enrich private individuals and appropriated to legitimate public services (OECD, 2005:115). The public procurement laws and regulations enacted in Zimbabwe, that is, the Procurement Act (Chapter 22:14), (Act No. 2 of 1999) (Zimbabwe Government 1999) and the Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002) include provisions that ensure that this objective is attainable. It has been proven that corruption in public procurement is a more serious cancer in emerging countries than developed countries. According to the World Bank, bribery is estimated to be over \$1million per year, accounting for above 12% of the GDP of countries like Nigeria, Kenya, Venezuela and Sri Lanka (Quinot & Arrowsmith 2013:100). Poverty in these areas has been identified as the major cause of corruption and it has resulted in serious corruption by government's procurement officers in countries such as Bangladesh, India, Sri Lanka, Nigeria and Venezuela, which are in the developing world. Corruption has also been attributed to the poor enforcement of the rule of law in developing countries and it is imperative that urgent initiatives be introduced to cope with the increasing levels of corruption.

The Transparency International Corruption Perceptions Index (Transparency International 2012) gave Botswana a score of 65 which translated to 30th position in 176 countries and it was recorded as the highest of any African country measured on a scale of zero to 100, where zero counts as “highly corrupt” and 100 as “very clean”. Zimbabwe’s score was 20 in the same Corruption Perception Index, which made it number 163 out of 176, on par with Equatorial Guinea, and only slightly above Burundi, Chad, Somalia and Sudan. Given the statistics on the index, which takes into account bribery of public officials and kickbacks in public procurement, this means that Zimbabwe is an incubator of corruption (Bloom 2013).

2.6.7 Transparency

Transparency refers to the concept of openness (Knight et al 2007:7; OECD 2005:23). Transparency is a crucial element in ensuring accountability as well as eliminating or minimising corruption. According to the ADB/OECD Anticorruption Initiative (ADB/OECD 2008), public procurement has been noted as an incubator of corruption in developing countries and one quarter of public expenditure has been lost through the corruption.

Significant monies are involved in public procurement, money that comes from the taxpayer, hence the need for accountability and transparency (Hui et al 2011:567; Madara et al 2009:24). According to the ADB/OECD (2008), public procurement consumes about 20% of public expenditure throughout the world and a quarter of that 20% is lost every year as a result of corruption. According to Van der Walt (2007:204), transparency dictates that the entire public procurement process be carried out in line with well-defined and publicised regulations and procedures which are normally enacted into law leading to the evaluation and award of a contract.

Transparency means having clear rules and mechanisms to ensure compliance with these rules, such as using clear unbiased specifications, standard evaluation criteria and standard bidding documents. Procurement records are public and should be available for inspection by auditors and include mechanisms for de-briefing unsuccessful bidders on the strengths and shortcomings of their own offers. Transparency requires that any deviations from fair play are detected early on in the process, with a view to making such deviations less likely to occur (Van der Walt 2007:204).

Corruption in public procurement has been estimated as accounting for \$390-400 billion per annum globally, although corruption is said to be present in all aspects of society; it is

estimated that corruption in Sub-Saharan Africa exists in about 70% of public contracts and this has resulted in a rise in contract costs approximated at 20-30%. According to Mawenya (2008:3), \$148 billion a year has been estimated to be the corruption in Africa and Osei-Tutu, Badu and Owusu-Manu (2009:236) add that corruption is prevalent throughout the procurement process and project cycle, through the actions and inactions of political officers, public officials, suppliers, contractors and consultants.

Table 2.3 and 2.4 highlight the Transparency International Corruption Perceptions Index (Transparency International 2012), which ranked countries based on how corrupt their public sector is perceived to be. A country score shows the level of public sector corruption on a scale of 0-100, where 0 means that a country is perceived as highly corrupt and 100 means it is perceived as very clean. CI refers to the confidence interval. The confidence interval reflects some of the uncertainty associated with a country's corruption perception industry score. It is calculated by looking at the range of scores given by all the data used to calculate that country's score, so that a wider interval reflects a wider variation in the data for that country.

Table 2.3 indicates the least corrupt countries in the world, where Denmark is ranked number 1 with 90 points out of 100. Apart from Hong Kong and Barbados, the least corrupt countries in the world are in Europe.

Table 2.3: The least corrupt countries in the world in ascending order

| Rank | Country | Score | Surveys Used | CI: Lower | CI: Upper |
|------|-------------|-------|--------------|-----------|-----------|
| 1 | Denmark | 90 | 7 | 87 | 93 |
| 1 | Finland | 90 | 7 | 85 | 95 |
| 1 | New Zealand | 90 | 7 | 87 | 94 |
| 4 | Sweden | 88 | 7 | 85 | 91 |
| 5 | Singapore | 87 | 9 | 83 | 90 |
| 6 | Switzerland | 86 | 6 | 81 | 90 |
| 7 | Australia | 85 | 8 | 83 | 86 |
| 7 | Norway | 85 | 7 | 82 | 87 |
| 9 | Canada | 84 | 7 | 80 | 87 |
| 9 | Netherlands | 84 | 7 | 81 | 88 |
| 11 | Iceland | 82 | 6 | 75 | 89 |
| 12 | Luxembourg | 80 | 6 | 75 | 85 |
| 13 | Germany | 79 | 8 | 75 | 83 |
| 14 | Hong Kong | 77 | 8 | 74 | 80 |
| 15 | Barbados | 76 | 3 | 65 | 87 |

Source: Transparency International. 2012. *Corruption Perception Index*.

<http://disqus.com/forums/transparencyinternational>

Table 2.4 reveals the world's 15 most corrupt countries. Somalia is the most corrupt country in the world with a score of 8 out of 100. Zimbabwe is the world's 13th most corrupt country with a score of 20 out of 100.

Table 2.4: The most corrupt countries in the world in ascending order

| Rank | Country | Score | Surveys Used | CI: Lower | CI: Upper |
|------|-------------------|-------|--------------|-----------|-----------|
| 160 | Libya | 21 | 6 | 14 | 27 |
| 163 | Equatorial Guinea | 20 | 3 | 18 | 22 |
| 163 | Zimbabwe | 20 | 8 | 12 | 27 |
| 165 | Burundi | 19 | 5 | 14 | 23 |
| 165 | Chad | 19 | 5 | 15 | 23 |
| 165 | Haiti | 19 | 5 | 14 | 23 |
| 165 | Venezuela | 19 | 7 | 15 | 22 |
| 169 | Iraq | 18 | 4 | 14 | 22 |
| 170 | Turkmenistan | 17 | 3 | 12 | 22 |
| 170 | Uzbekistan | 17 | 6 | 14 | 20 |
| 172 | Myanmar | 15 | 4 | 9 | 21 |
| 173 | Sudan | 13 | 6 | 8 | 17 |
| 174 | Afghanistan | 8 | 3 | 2 | 13 |
| 174 | Korea (North) | 8 | 3 | 2 | 13 |
| 174 | Somalia | 8 | 4 | 4 | 12 |

Source: Transparency International. 2012. *Corruption Perception Index*.

<http://disqus.com/forums/transparencyinternational>

These statistics indicate that corruption in Zimbabwe remains a significant challenge in the public procurement process, in the effective utilisation of resources and in service delivery efficiency in the public sector. As remarked by Transparency International (2012), there is no tangible evidence to suggest that Zimbabwe is making serious efforts towards the promulgation of corruption targeted legislation

2.7 PUBLIC PROCUREMENT PROCESS IN ZIMBABWE

The public procurement process follows a series of steps which consist of generally similar activities throughout the world (Mamiro 2010:5). Figure 2.1 explains the public procurement process adopted by Zimbabwe. The process consists of five stages, and each stage is explained.

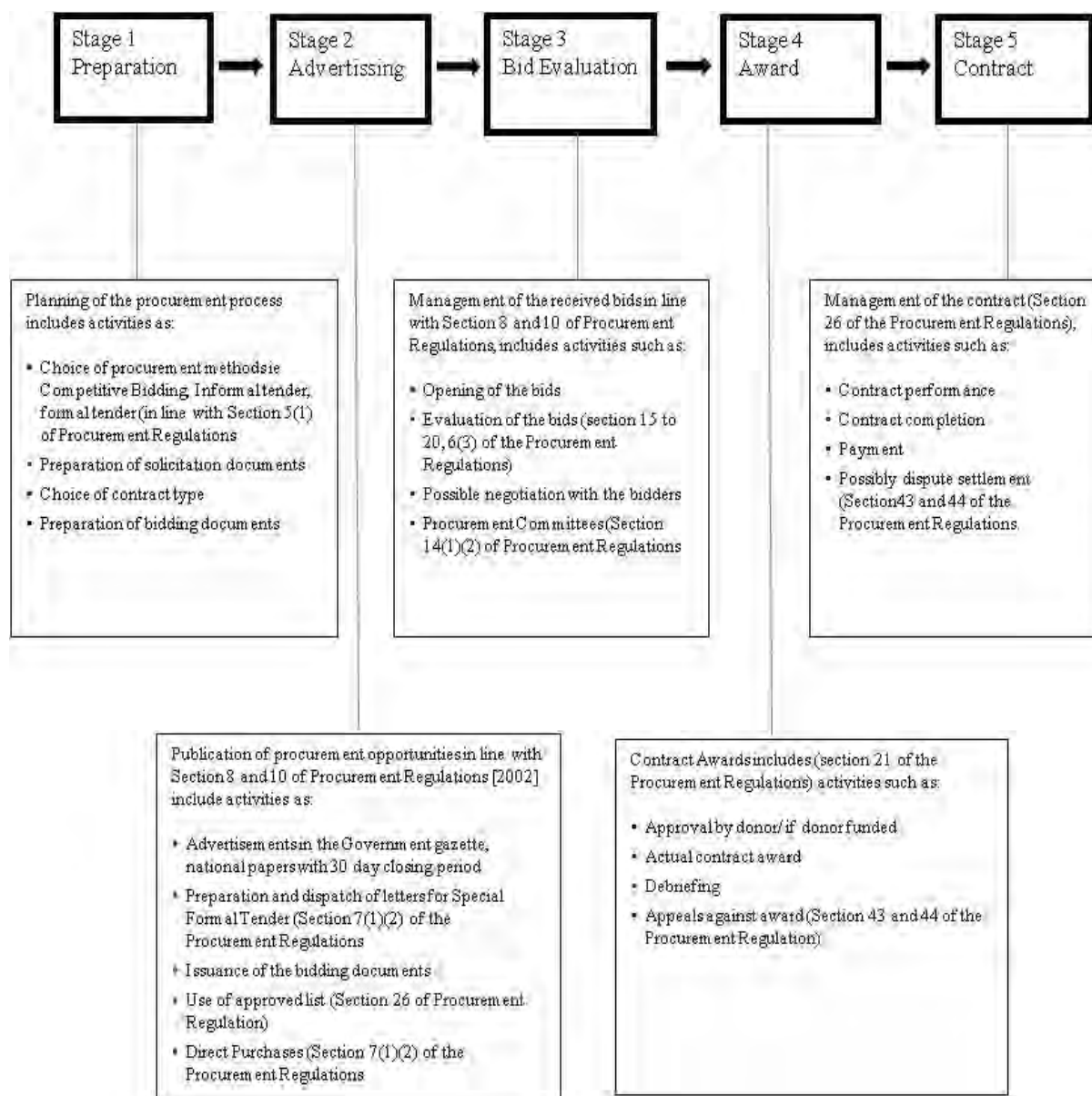


Figure. 2.1: Stages in the public procurement process in Zimbabwe

Source: Adapted from the Procurement Act (Chapter 22:14), (Act No. 2 of 1999) (Zimbabwe Government 1999) and Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002)

The public procurement process as illustrated in figure 2.1 is explained as follows:

2.7.1 Stage 1–Preparation

The process begins with the preparation stage at the procuring entity level where the actual need for procurement arises. The nature of the procurement method to be used is dependent on the cost and in terms of S.I. 171 of 2002 and availability of budget (Mamiro 2012:6).

Section 5(1) of the Procurement Regulations of 2002 (Zimbabwe) provides that where a procuring entity requires a supply of goods, construction works or services of which the value is less than US\$10 000, the procuring entity is required to obtain at least three competitive quotations from prospective suppliers. Tender documents containing specifications of the services or goods are the basis for evaluating tenders. Section 6(2) requires letters of quotation to be entered on a comparative schedule. A procurement committee makes a recommendation that is approved by the AO. A record of all procurement must be kept for audit purposes and a copy sent to the SPB in line with Section 6 (3) of Procurement Regulations and Section 35 of the Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002).

Where a procuring entity requires goods or services, the value of which will cost above US\$10 000 but does not exceed US\$3000 000 for goods and services and US\$1m for construction projects, the procuring entity has, in line with Section 6(1) of the Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002), to invite tenders through newspaper advertisement. Tenders are made returnable for 30 days, in line with Section 9(1). A shorter closing period must be approved by the Board or the Chairman. The advertisement should inform bidders where they can collect tender documents. A procurement committee set up in terms of Section 14(1) and (2) is responsible for evaluating tenders and making recommendations to the Accounting Officer (AO). The AO, in line with Section 6 (3) must record the decision on the comparative schedule. A copy is to be retained by the AO and a copy transmitted to the Board (Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002). In other words, the AO finalises procurement and advises the Board accordingly.

The FT system is used for purchases above US\$300 000.00 for goods and services and above US\$1000 000.00 for construction. The AO identifies needs and the budget and prepares a draft tender document and advertisement. The draft tender document is amended as required and a final document is prepared as approved by the SPB. The tender can be a two-stage or single stage tender. One-stage tendering is the normal tendering process whereby bidders are required to submit one envelope containing both their technical and financial bid. Two-stage tendering is a process whereby bidders are required to submit the technical and financial proposals in different envelopes. The technical envelope normally addresses issues of quality or other characteristics of the goods, technical specifications, the professional and technical

competence and qualifications of the bidders. The technical envelopes are opened first and bidders whose bids meet the required standard qualify for the financial stage. The financial envelopes are opened on a separate day and those bids which fail the technical evaluation will have their financial envelopes returned unopened.

The SPB checks the advertisement and request for proposal (RFP) (solicitation) documents to ensure compliance with the Act and Regulations and ensures corrections are done. The Board approves the document and advertisement and in collaboration with the AO books a tender closing date. The checklist for tender documents include tender numbers, detailed description of supplies or services and publication dates and the closing dates which are normally 30 days (Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002:6). Other information to check for on the RFP documents include where tender documents are obtainable, the document fee, query procedure, the address where tenders are returnable and the tender closing time.

The general requirements of tender include amongst others: the company profile; the certificate of incorporation; proof of registration with tax authorities; certified financial statements; three copies of bid documents, with the original clearly marked; personnel capabilities; equipment capabilities; litigation history; the pricing structure; the bid validity period; bid security; performance bond and advance payment of bond if required. Other important information includes technical specifications, site visits (date, venue, time, whether compulsory or optional) and evaluation criteria (Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002; 6).

2.7.2 Stage 2–Advertising and Publication of Tenders

In line with Section 8 and 10 of the Procurement Regulations (2002), the AO is required to advertise the tenders in the government gazette and relevant national publications 30 days before the closing date. For special formal tenders, (SFTs) the AO prepares letters of invitation with physical addresses and phone numbers of the bidders then submits these to the SPB for dispatch and booking of the closing date. SFTs and direct purchases require prior approval from the Board or the Chairman in line with Section 7(1) of the Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002). Under this procedure, the AO may request the Board or Chairman for authority to adopt SFT procedures, providing justification for such request. The Board or Chairman will consider the

submissions in line with Section 7(1) and make a decision to grant authority to adopt SFT or not. The Board may, after other considerations and having noted the shortcomings in a FT, direct that the AO adopt SFT procedures. Other cases in which a SFT may be invited are detailed in Section 7(2) of the Procurement Regulations. A SFT may depend on the urgency of requirements and will be open for any period as approved by the Board or the Chairman (Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002:5)).

Direct purchases also require prior approval from the Board or Chairman. Direct purchases are granted in line with Section 7 (2)(a), (b), (c), (d), e, and (f) of the Procurement Regulations (2002) (Zimbabwe). The Accounting Officer may request the Board to approach one company for a direct purchase, providing clear justifications as to why only one company (S.I 171 2002:4). In terms of Section 25 of the Procurement Regulations, the SPB may compile a list of approved suppliers for various products and services which list will be published in the government gazette. However, before framing a list, the Board will publish a notice in the government gazette and other papers inviting firms interested to submit applications for inclusion on the approved list. The Board, in line with Section 23(5), may add or remove from the list any firm or person whom the Board considers no longer suitable to undertake Government contracts. The AO may seek authority to use a specific approved list of suppliers and propose companies to be included on the approved list. AOs utilise approved lists by inviting companies on the list to submit quotations, then award to the lowest to specification (Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002:10)). When dealing with approved lists, tender value limits have to be applied (i.e. if the value exceeds the IT upper limit, then recommendations have to be submitted to the Board for final approval).

2.7.3 Stage 3–Bid Evaluation

All tenders in line with Section 8 and 10 of the same regulations are received and opened every Tuesday at 10h00. All bidders are free to attend. Prices for all the tenders are announced in the presence of all the bidders. Bid documents are dispatched with a cover letter and are collected by the AO, who is expected to evaluate them within 15 days in line with Section 15 to 20 of the Procurement Regulations. Muller (2008) notes that received tenders are evaluated and successively weeded out according to the evaluation criteria (S.I. 171 2002:6). The AO is expected to provide a clear comparative schedule with prices in

ascending order and explanations on each bidder as well as making a recommendation (Mamiro 2010:7). The AO should also give clear detailed reasons for disqualifying companies that have quoted the lowest prices (Marcer 2013:30). The SPB does its own evaluation in order to check the AO's evaluation, ask questions and seek clarification if necessary.

AOs (heads of ministries, normally the permanent secretary, chief executive officers of parastatals and town clerks for local authorities) are mandated to constitute procurement committees in line with Section 14(1)(2) of the Procurement Regulations of 2002 (Zimbabwe). This committee is responsible for the procurement of goods and services for the designated procuring entity (Section 14(2)). The AO is also required to advise the SPB of the composition of the committee and provide specimen signatures of its members (Section 14(3)). The Board improves on this monitoring function to ensure the authenticity of recommendations from AOs through the appointment of procurement auditors (S.I. 171 2002:8).

2.7.4 Stage 4–Award

In line with Section 21 of the Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002) the SPB awards the tender to the lowest compliant bidder to specification. The SPB notifies all bidders and the AO of the award results (S.I. 171 2002:9).

The AO then engages the winning bidder for the contract signing. When the contract is signed the AO sends a copy of contract to the SPB. In line with the same section, no variations to the contract can be made without the approval of the Board. The SPB keeps a copy of contract documentation for monitoring purposes (Government of Zimbabwe 2000b:11). In terms of Sections 43 and 44 of the Procurement Act (Chapter 22:14), (Act No. 2 of 1999) (Zimbabwe Government 1999), if a losing bidder is not satisfied with the award he or she can appeal to the Administrative Court within 20 days after notification of award; in that case the AO will suspend the contract for seven days. Depending on the urgency and circumstances, the AO can apply for a Certificate of Urgency to proceed with contract (Procurement Act (Chapter 22:14), (Act No. 2 of 1999) (Zimbabwe Government 1999)).

2.7.5 Stage 5–Contract Management

The AO should form a contract team, hold a post award conference and organise contract implementation, performance and management plans. Payment methods and penalties are agreed on by the contract team. The AO then monitors the progress to completion. Only when a contract is completed, the AO accepts performance and the contract is closed (Mamiro 2010:7).

For a contract for the supply and delivery of goods the AO arranges for pre-shipment inspections. When such inspections are complete the AO prepares for receipt and acceptance of goods (S.I. 171 2002:11). Where there are prices, quantity or scope variation (S.I. 171 2002:11) the basis of variation shall be clearly stated. No variations are allowed without the Board authority in line with Section 26 of the Procurement Regulations (2002) (Zimbabwe).

2.8 CONCLUSION

This chapter has explained the concept of procurement and the general procurement objectives, observing that purchasing objectives are derived from the five rights of procurement. The chapter has also explained the concept of public procurement and its relationship with the procurement concept. The public procurement objectives of transparency, accountability, value for money procurement, procurement efficiency and promotion of local industries have been explained. The chapter ends with a detailed analysis of the public procurement process in Zimbabwe where five major steps have been observed.

This concludes Chapter 2. The next chapter provides insight into the challenges in the public procurement process in Zimbabwe that detract from service delivery.

CHAPTER 3: CHALLENGES IN THE PUBLIC PROCUREMENT PROCESS THAT IMPACT NEGATIVELY ON SERVICE DELIVERY

3.1 INTRODUCTION

The main objective of this study is to identify the challenges in the procurement process that detract from achieving service delivery in Zimbabwe. Chapter 2 provided an insight into procurement and the public procurement process that is used in Zimbabwe, with a close analysis of the stages and activities followed in the process. This chapter looks at the challenges in the public procurement process that detract from service delivery. The main purpose of the chapter is to present the information used as a guideline in the crafting of the interview guide for the first phase of data collection. Lessons and challenges from experiences in other countries are also explored and these experiences and challenges also acted as a basis for crafting the interview guide.

3.2 OVERVIEW OF CHALLENGES IN THE PUBLIC PROCUREMENT PROCESS

According to Stergiou (2009:1), large amounts of taxpayer's money are used to purchase goods, services and works from the private sector, with most of the procurement procedures being conducted manually. For that reason the system is exposed to two kinds of risks, namely: (1) human error, which is high as a result of the numerous processes and movement of various documents over a long time frame; and (2) the risk of corrupt tendencies during the various stages of the procurement process.

Public procurement practitioners are faced with many challenges and, because each country has a different socio-economic, cultural and political environment, the procurement officers in different countries encounter different types of challenges in their processes or face the same challenges but at differing levels to those from their counterparts in other countries (Harland, Callender, Knight, Telgen, Thai & Walker 2010). Public procurement is an activity of paramount importance in government for a number of reasons. For instance, the financial outlay in public procurement has a significant impact on the economy and needs to be well managed. It is estimated that public procurement constitutes between 13% and 20% of GDP on average worldwide and this has a significant impact on public funds allocation and economic growth (OECD 2013). This size of procurement spend needs efficient handling and

this has been a management and policy concern, as well as a challenge for public procurement practitioners. Public procurement has always been seen as an area of waste and corruption and it is noted that corruption and bribery are widespread in government contracts (Kuhn & Sherman 2014:6).

Globalisation has resulted in the world becoming one big place. Public procurement practitioners are therefore faced with the challenge of complying with their country's public procurement laws and regulations. This must be achieved without infringing the regional and/or international trade agreements of the global economy they exist in. The need to comply with national socio-economic policies (in supporting and promoting domestic firms), without unfairly disadvantaging foreign players as provided in the WTO agreements, presents a challenge which requires a careful analysis of trade agreements in order to take advantage of special provisions. According to Arrowsmith (2003:165), in developed and developing countries, a sound procurement system has accomplished management requirements such as quality, timeliness, costs, and policy requirements, and such policies include socio-economic goals such as local preference, sustainable procurement, social goals and global trade agreements. It is acknowledged that it is not easy for policy makers and public procurement practitioners to make an optimal decision, as there are always trade-offs among these goals (Thai 2009:2).

3.3 PROCUREMENT LAW AND CHALLENGES IN THE PROCUREMENT PROCESS

In a test case in Zimbabwe, compliance with SPB procurement procedures and processes were blamed for the lagging behind of the completion of a district hospital for the Ministry of Health and Child Welfare for which US\$600 000 had been allocated by government. Public procurement processes, policies and procedural requirements were cited in response to questions raised by Parliamentary Portfolio Committee on Health and Child Welfare on progress of the project and why allocations from treasury to the ministry had not been fully utilised.

This criticism was supported in an article in the Herald (2013), entitled "Zimbabwe: End of an era for the State Procurement Board", which stated that the Government intended to streamline operations of the SPB with the view to improving efficiency and service delivery.

The article added that this was evidenced by seemingly never ending squabbles and complaints on how some tenders for various projects have been awarded, which had resulted in delay and non-completion of crucial projects attributable to the procurement processes and policies.

Amendments to the Procurement Act (Chapter 22:14), (Act No. 2 of 1999) (Zimbabwe Government 1999) and the Procurement Regulations (2002) will result in the SPB being reduced to a regulatory role leaving the process of adjudicating and awarding of tenders to the responsible ministries. This will result in awarding tenders to competent firms. Advocates in favour of streamlining the functions of the SPB and decentralisation of procurement authority have in the past argued that some of the people who won the tenders were "briefcase businessmen", who do not have the capacity to finance and manage some multi-million dollar projects (Bwititi 2014; Musanzikwa 2013:126.)

Zimbabwe's Finance Minister acknowledges that public procurement procedures are a challenge in the implementation of projects. The rate of project implementation in the country for the period under review dropped to 20–25% from 35–40% of the annual implementation target compared to the same period in 2010. These implementation rates reflected on the poor utilisation rates of disbursements that came from treasury. Some organisations had utilisation rates as low as 7% and with local authorities they were in the range of 20%. The Minister of Finance attributed this to challenges related to tender procedures and rigid procurement regulations (Biti, 2011) and this is also supported by Mamiro (2010:8) and Smith (2009).

It is against this background of the continuous 'name, blame and shame' between public enterprises and the public procurement process that this research is premised. The aim is to analytically determine whether performance, non-performance, completion or non-completion of critical government projects and poor service delivery is attributable to the public procurement process. This study is important because it aims to determine whether such failure is attributable to the public procurement process and how the laws and regulations could be used to enhance the public procurement process.

One of the principal aims of public procurement is ensuring and enabling procuring entities to satisfactorily achieve their policy and business objectives in the delivery of better service delivery to the public (Vellapi 2010:4). In addition there are some other critically important

objectives that are relevant for public procurement, such as social justice and political goals (Cohen & Eimickle 2008:1). An important distinct feature of public procurement is the demand for high level accountability and efficiency (Erridge 2007:1023) through VfM procurement of goods and services. Important objectives such as the promotion of SMEs can also be achieved through public procurement. The universally common objectives of public procurement are: (1) the use of public procurement as a development tool; (2) economic development; (3) promotion of fairness and transparency; (4) public accountability; and (5) promotion of local industries (Procurement Act (Chapter 22:14), (Act No. 2 of 1999) (Zimbabwe Government 1999) and S.I. 171 of 2002 (Zimbabwe); Rwanda Public Procurement Authority 2007; USAID 2007).

3.4 PUBLIC PROCUREMENT AND NON-COMPLIANCE BEHAVIOUR

Public procurement has become an important activity in many countries and as a result it has been subjected to some reforms, restructuring, rules and regulations. Eyaa and Oluka (2011:35) note that a significant amount of money is lost as a result of inefficient and ineffective procurement systems, laws policies and procedures. In addition, the inability to impose reprimands for failure to follow procurement regulations has resulted in poor service delivery. Hui et al (2011:567) confirm that the major hindrance in the public procurement process is non-compliance with regulations. For example, the African Peer Review Mechanism Country Review (APRM 2009) report on Uganda carried out in 2009 states that the levels of non-compliance with procurement regulations is high in Uganda. It is estimated that over Uganda Shillings 300 billion (US Dollars 184 million) is lost yearly as a result of non-compliance of public procurement regulations and processes (Eyaa & Oluka 2011:35). The issue of non-compliance has not only affected emerging countries but also developed countries (Gelderman et al 2006:702). An analysis which was carried out by Hui et al (2011) reveals that in Malaysia in public procurement, buyers were guilty of behaviour that was not compliant with procurement policies and procedures, which resulted in serious procurement malpractices. Zhang (2008) holds that public procurement can be useful as a catalyst for pursuing socio-economic and other objectives by various countries. However, it is being hindered by mismanagement issues associated with non-compliance behaviour and corruption. The levels of compliance in public procurement procedures have continued to be relatively low in Ugandan public entities despite the endeavours of the Public Procurement and Disposal of Assets Authority (PPDAA) of Uganda to enforce measures to reduce non-

compliance (PPDAA 2011). Procurement audits carried out by the Public Procurement and Disposal Assets Authority (PPDAA Uganda) in 2006/2007 and 2007/2008 highlighted the fact that levels of non-compliance of procurement regulations was significantly high, with procurement regulations being continuously violated (PPDAA Audit Reports, 2007 (Government of Uganda); PPDAA Audit Reports 2008 (Government of Uganda). The Transparency International Report on Uganda (Transparency International 2009) corroborates the PPDAA Audit Reports (2007; 2008) and states that high levels of non-compliance and violation of procurement regulations characterises public procurement in Uganda. Hui et al (2011:567-593) suggest that organisations should target implementing effective compliance to public procurement regulations in an endeavour to save public funds.

3.5 PUBLIC PROCUREMENT AND PROFESSIONALISM

According to Raymond (2008:782), the procurement system is impacted by the level of education of its personnel, which has an effect on the levels of skills and professionalism going into the work done. According to Sheoraj (2007) and Migiro and Ambe (2008:230), a lack of purchasing professionalism in public procurement and a skills shortage (Mamiro 2010:5; OECD/DAC 2007) has been identified as an obstruction to the successful implementation of public procurement in South Africa. Eyaa and Oluka (2011:42) note that professionalism in public procurement can be achieved through a number of initiatives, including procurement skills assessment, investment in training and staff development through refresher courses. Workshops, seminars and conferences should be encouraged where procurement staff will be able to meet, interact and share knowledge and experiences, and higher education authorities, universities and government entities should collaborate to develop internship opportunities so that graduates are familiar with public procurement regulations and have the necessary experience.

3.6 ETHICAL CHALLENGES IN PUBLIC PROCUREMENT

Holtzhausen (2007:154) states that ethics are a critical element in the management of public activities as they play a pivotal role of enhancing transparency and accountability, resulting in the elimination and minimisation of corrupt behaviour. The administration of public organisations presents serious ethical dilemmas (Holtzhausen 2007:154). Public officials are faced with several challenges, such as serving the public interest and guarding against misuse

and abuse of public funds; hence there is need for a strong ethical code of practice that can be used as a standard guide.

A strong ethical code of practice is an important principle in governance and public procurement. Procurement professionals are held to higher standards of ethical behaviour than those in other fields. It is important to acknowledge that procurement professionals are not aware of the behavioural standards expected from them. It is important that the workforce is properly educated in these matters, as this may lead to serious consequences such as breaches of codes of conduct.

3.7 CHALLENGES IN THE PUBLIC PROCUREMENT PROCESS EXPERIENCED IN OTHER COUNTRIES

This section provides insight into the challenges experienced by other countries in their procurement processes and how these challenges affect service delivery. These countries are all in the sub-Sahara Africa and are also developing countries. The rationale behind identifying the challenges in their public procurement processes was to help and guide the crafting of the interview guide questions used in this study. Measures adopted in these countries to mitigate the identified challenges, are also explored with the view to establish whether these measures could be applied in the Zimbabwean situation. The countries dealt with are: Tunisia; Sierra Leone; Tanzania; Uganda; Ghana; and Malawi.

3.7.1 Tunisia: Improving Efficiency and governance - public procurement reform

Tunisia has been saddled with an inept and inefficient public procurement system for many years (World Bank 2013). Inefficiencies, such as often taking years in the awarding of contracts, were aggravated by serious political interference in the public procurement system. The World Bank granted support and technical advice to the government, leading to the passing of a public procurement decree which removed major procurement process obstacles and laid the foundation for a comprehensive public procurement reform programme.

Historically, the hiring of contractors to build important infrastructure took many years, with the procurement system powerless to prevent political interference, which continuously influenced the results of the tender award process, and discussions to attempt deal with these concerns and other critical issues proved difficult to sustain. The ineptness experienced in the

public procurement process was also a challenge and hindered the response to the recent economic crisis through slowing down the process of implementing the government's economic recovery plan (Dza, Fisher & Gapp 2013:53).

Through the technical assistance to the Government of Tunisia provided by the World Bank in order to help public procurement stakeholders, the government managed to identify and remove the serious obstacles in the public procurement process which negatively affected the effectiveness and efficiency of public expenditures (World Bank 2013). The main aim was to simplify and streamline tender award procedures by ensuring that the award process took less than 120 days from bid invitation to contract award. Measures were also taken to ensure the transparency and integrity of the public procurement process without detriment to its effectiveness, for example, mandatory publication of procurement notices to provide a level playing field for all prospective bidders and to ensure that civil society organisation and all stakeholders would be able to monitor expenditures. The complaint handling system was also improved to ensure all bidders are provided with the right to raise complaints out of the awarding process and implementation of contracts (OECD 2013:66).

3.7.2 Sierra Leone (National Public Procurement Authority of Sierra Leone)

The National Public Procurement Authority (NPPA) of Sierra Leone in its 2005 annual report (NPPA 2005) mentioned a number of challenges hindering its operations. They included insufficient budgets, poor staff staffing and internal and logistical problems. In its recommendations the report stated that there was a need for an inclusive effort by all stakeholders supported by adequate financial support and sufficient political will to focus and improve public procurement policies, processes and procedures (NPPA 2005). All other subsequent annual reports by the Public Procurement Authority highlighted inadequate funding as the major challenge to the efficient operation of the Authority (Ghana Public Procurement Authority 2007, 2008).

The National Public Procurement Authority (NPPA) of Sierra Leone 2005 annual report added that Sierra Leone lacked a powerful procurement profession and that insufficient training of personnel resulted in a different understanding of public procurement procedures across the civil service and parastatals. Inefficiencies aggravated by mediocrity in specification of requirements as well as inadequate bidding documentation and procedures,

corruption, payment delays and poor contract management contributed to incremental costs of public procurement.

The World Bank produced a white Paper on Public Procurement with recommendations for the Government of Sierra Leone on the public procurement reform process which was to be adopted (GoSL 2011:2). The recommendations included the amendment of public procurement laws and regulations through the creation of public procurement policy frameworks, regulations and standard bidding documents. Amendments to the law and regulations (PPA 2003 Sierra Leone) to meet international best practices in public procurement were undertaken, and contribution and comments were invited from all stake holders including civil society, the private sector and development partners. A public procurement website was also established for ease of access to public procurement information and the establishment of monitoring systems. Partnerships with the private sector were encouraged and adopted through public private partnerships and civil society organisations to improve service delivery as well as the establishment of auditing and anti-corruption initiatives (GoSL 2011:2). The PPA has incorporated public procurement complaints and query procedures and also has also encouraged decentralisation of procurement authority. The Independent Procurement Review Panel was established pursuant to the PPA and has presided over cases referred to it by aggrieved bidders and has passed judgments on them. The NPPA was established as the principal body in Sierra Leone mandated to manage the public procurement function after the adoption of the PPA. Because of the decentralisation focus, the NPPA sets policies and regulations and monitors the implementation of such policies and regulations within the ministries and entities of government; this is the standard mandate of such bodies worldwide and in international best practice (GoSL 2011:3).

Since its establishment, the NPPA has made serious progress in the advancement of the reform of the Sierra Leone public procurement system, including the creation of the Regulations to aid the implementation of the PPA (NPPA 2006) and developed standard bidding documents (SBDs) and request for proposals. Extensive awareness and publicity campaigns and capacity building exercises have been carried out through TV and radio shows, actual training through institutes and use of the public procurement website.

The NPPA collaborates with the Human Resource Office on initiatives to develop public procurement professionals in the civil service in Sierra Leone. Through the encouragement of the World Bank, the Government of Sierra Leone will carry out an evaluation using the OECD/DAC methodology for assessing public procurement systems. The Baseline Indicator Tool will be used since the last assessment to measure progress in order to realign strategic reform initiatives was done in 2004 (World Bank 2012).

3.7.3 Lessons from Tanzania

The public procurement process in Tanzania has encountered a number of challenges, which include lack of ownership and knowledge of the public procurement laws and regulations, unavailability of procurement instructions, inadequate human resources capacity and training and limited local private sector participation. These issues are discussed in the next few paragraphs.

3.7.3.1 Lack of ownership and knowledge of the Public Procurement Act No. 3

There is an outcry over the continued use of the Public Procurement Act No. 3 (2001) (Tanzania), which is considered as no longer sustainable because of a lack of clear comprehension within the government structures. As in Sierra Leone, public procurement training is a serious requirement in government ministries and local government, especially at the managerial levels. The AOs' senior management and elected members see the Act as threatening rather than advantageous, hence its unsustainability (Kazoka 2012; Onyikwa 2013:571).

3.7.3.2 The need for procurement instructions

Procurement manuals should be derived from the regulations accompanying an act. A procurement manual is a document that indicates the procedural requirements to be observed in a procurement process (UN 2010:4). The unavailability of such manuals has resulted in the lack of clear guidelines on the use of the regulations, resulting in the risk of inappropriate and different procedures being followed.

3.7.3.3 Human resources and procurement training system / institutions

According to a study published in 2012 (Mamiro 2012:5), no experts in procurement were employed in the Tanzanian public sector. Procurement activities were executed by purchasing and supplies officers, engineers, architects and quantity surveyors and the field of

procurement has been held in low regard and not regarded as a profession. There was, moreover, virtually no formal training in the practical aspects of procurement. The limited training provided to those involved in procurement was at a very low level and mainly on the competitive bidding process of sourcing through obtaining three quotations; there was no training on procurement beyond that. This has been aggravated by the use of archaic public procurement systems and practices and has led to a wide variance in performance. However, recently great attention has been paid to formal procurement education and training in an effort to increase the number of procurement experts in Tanzania.

3.7.3.4 Local private sector participation

Local private sector participation in public procurement is limited in Tanzania as it is in Zimbabwe, South Africa and Uganda, where it has been noted that local suppliers and contractors do not have capacity to participate in the high value tenders advertised locally and outside. The reason for this is that such tenders often require guarantees from banks and financial institutions and local firms have no capacity to raise such guarantees because of the high interest rates being charged (Uromi 2014:59). As a result, local suppliers do not consider themselves to be given enough opportunities to participate in their country's public procurement process.

3.7.3.5 Mitigatory strategies adopted in Tanzania

In an effort to counter the challenges discussed above, there was an apparent need to improve the Tanzanian public procurement process, which included the enactment of new public procurement regulations and procedures as well as the improvement of training and sensitisation in public procurement as discussed in the following paragraphs (Mlinga 2009).

3.7.3.6 Regulatory framework

The public procurement regulatory framework has always been considered rigid and a hindrance to effective service delivery (Mamiro 2010; Smith 2009). The Tanzanian government enacted a new public procurement law (Public Procurement Act No 3) (Tanzania) stating the principles, policies and structure of public procurement, which is supported by comprehensive procurement regulations.

The legislation has provided important regulatory aspects to public procurement, which apply to all procurement by public institutions, excluding entities that are financially independent

and defence procurement, and has established tender boards responsible for procurement, review of RFP documents and contract awards in line with pre-determined thresholds. In line with the new law, all ministries have formed tender boards the authority of which are within the predetermined procurement thresholds, which is tantamount to decentralisation of procurement authority so that the procurement process is speeded up. The central government through the Central Tender Board have assumed the role of formulating standard bidding documents to be used by all procuring entities for the procurement of goods and works. The Central Tender Board is also responsible for formulation and review of standard RFP documents and evaluation guidelines for goods, works and for the selection and employment of consultants (PPA 2011:22).

3.7.3.7 Training

After the promulgation of the new public procurement law, the government held workshops to sensitise and disseminate the new Public Procurement Act No 9 of 2011 (Tanzania 2011) in collaboration with the British Government, first with the permanent secretaries and then cascading to regional administrative secretaries, members of parliament, members of the Public Accounts Committee and members of the Economic and Finance Committee, secretaries to tender boards, accountants, auditors and others. Through the Accountability, Transparency and Integrity Project, the government's Central Tender Board engaged a consultant to study and determine public procurement training needs (Government of Tanzania. PPA. 2001).

Government also recognises that procurement accountability can only be achieved if there is adequate human resources capacity to implement the reforms. Whilst improved conditions and relevant training are helpful, government faces the challenge of creating a conducive environment where all are required to be responsible and accountable for their actions and where sanctions for non-compliance are strictly enforced. Procurement related training is now receiving relevant attention and local universities have a curriculum in procurement and materials management at undergraduate level, while other training institutions have been opened for various other levels of skills training (Government of Tanzania. PPA. 2001).

3.7.3.8 Anti-corruption initiatives

The government has initiated significant measures to curb and control inappropriate behaviour in the procurement and other processes through imposing potential costs for

participating in corrupt activities, such as job losses, fines, imprisonment and confiscation of illicit property, and through legislation (Fjeldstad & Isaksen 2008; Heggstad, Froystad & Isaksen 2010:18; PPA No 3 of 2001 Tanzania).

3.7.4 Lessons from Uganda

In a presentation on public procurement in Uganda (Balaba 2012), a number of issues and challenges were identified in the public procurement process that was detracting from service delivery in the country.

It was observed that the public procurement process took at least 60 days to complete. The Permanent Secretary to Treasury took a long time, often without any reason, to approve the appointment of members of the District Contracts Committees (the equivalent of Procurement Committees in Zimbabwe). The private sector in local government lacked capacity in terms of skills, financial muscle, level of education and training. This situation was also exacerbated by the high cost of doing business and vested interests of a wide range of stakeholders, political and otherwise. Recruitment procedures for officers in public procurement were uncoordinated and haphazard; hence posts were filled without consideration of the quality of potential employees. Local government and the operations of the District Contracts Committee and Technical Evaluation Committee were faced with a lack of funds (Eyaa & Oluka 2011:39). The Government of Uganda (2008) and the Ministry of Finance, Planning and Economic Development were also blamed for inadequate supervision of the procurement process. A few available suppliers were used over and over again, which resulted in the same limited number of contractors with heavy workloads and limited capacity. Bid security fees, performance bonds and bank guarantees required on the tenders tied down the investment capital of the suppliers during the procurement process. Suppliers faced the challenge of high interest rates, which hindered them from obtaining credit and finance. New and upcoming suppliers could not read, interpret, analyse, comprehend and assess the requirements in the RFP documents. Contractors' unexplained disappearance from site was also a major issue as well as lack of political will. Corruption was found to be a major problem in the public procurement process. Local governments' non-refundable selling price for RFP documents was high and was used as a major revenue source. Local government lacked adequate skills in tender evaluation, which was aggravated by a critical shortage of staff. The market was also found to be flooded with counterfeit products being sold at low prices, which proved to be non-durable. The procurement process

was bureaucratic and made the whole procurement process expensive (Basheka & Mugabira 2008; Ntayi, Gerrit, Eyaa, 2009; Thai 2008: 393 &). As a result, measures were adopted in Uganda to address the process challenges that were detracting from public service delivery. These strategies are discussed below.

3.7.4.1 Mitigatory strategies adopted in Uganda

The Ugandan government sought to adopt a number of measures to improve the public procurement by the use of e-procurement (electronic procurement), sustainable public procurement (SPP) and development of strategic partnerships.

3.7.4.2 Sustainable public procurement

SPP was popularised as a result of environmental and socio-economic challenges both in developed and in developing countries (Sabiiti & Mahumuze 2012:2046). SPP is a concept where entities meet their requirements for goods and services as well as works and utilities in a manner that enhances achievement of value for money in public procurement, in the long term and on a whole life basis. This is achieved through the generation of benefits to the organisation, society and the whole economy at large, whilst eliminating or minimising damage to the environment. The PPDA Act 2003 (as revised in 2011) and its Regulations make provision for the socio-economic and environmental aspects in public procurement, although economic provisions dominate the implementation of public procurement. The overall objective in using SPP is its consideration of the whole procurement lifecycle costs and in the long term leads to efficiency gains. SPP recognises the importance of environmental issues, such as design considerations, the type of material used in the production, environmental friendly manufacture and production methods, packaging materials, maintenance reuse and recycling options, waste disposal and suppliers' capabilities to address these consequences. It upholds the principles of transparency, fairness (to both the supplier and society), long term economy, and accountability (from purchaser and supplier). Uganda therefore recognises the importance of public procurement because it considers sustainability issues as the only way it can offer real value for money over a longer period without prejudicing environmental and social responsibilities (Adjei 2012:1).

3.7.4.3 E-procurement

The Uganda government has recognised the need to use e-procurement to increase efficiency in the public procurement process and is gradually implementing the strategy (Sabiiti &

Mahumuze 2012:2047). It has, through the Financial Management and Accountability Programme, commissioned a study to develop an e-procurement implementation strategy. The use of e-procurement helps in streamlining as well as simplifying procurement processes and eliminates non-value adding activities, reducing overall procurement costs. The use of e-procurement promotes good governance in public procurement through reducing the human factor in the public procurement process, thus eliminating and reducing the temptation for practitioners to engage in corrupt practices. However, in Uganda neither central nor local government has sufficient important technical resources for e-procurement, such as internet connectivity, and the need for financial investment in that regard is inevitable (Aini & Hasmiah 2011:330; Rebecca 2008:146; Tiago, Couto, Tiago & Viera 2009:287).

3.7.4.4 Development of strategic partnerships

The Ugandan government is embracing the concept of partnering with stakeholders, such as government agencies, the private sector, the public, non-governmental organisations and development partners (Sabiiti & Mahumuze 2012:2048). The government recognises the effectiveness of the concept of Public Private Partnerships in the improvement of service delivery. The government is therefore working towards the creation of these linkages with private partners. These linkages will support development of procurement capacity initiatives and enhance the potential for strengthening procurement not only as a separate programme activity, but also within the framework of existing related programmes (Agaba and Shipman 2007:373).

3.7.5 Lessons from Ghana

The Public Procurement Authority of Ghana managed to identify a number of weaknesses in government entities that provided poor service delivery and required immediate attention in its 2006 review. The identified weaknesses included: a serious shortage of qualified personnel in procurement departments; failure to correctly interpret and articulate provisions of the procurement law (PPA); draft regulations being regularised at a snail's pace; unavailability of proper procurement procedures for emergency purchase; lack of proper procurement training institutions; mediocre record keeping; poor management of bidders queries and complaints; lack of procurement planning and implementation; and contract management (Ghana Public Procurement Authority 2007: Quinot & Arrowsmith 2013:77).

The Country Procurement Assessment Report (CPAR), prepared by the World Bank and government officials, manifested substantial evidence of inefficiencies in the public procurement process, which resulted in the conclusion that the value for money principle was extinct in both donor and government financed projects. Slow project implementation was mainly due to poor procurement planning, unclear procurement procedures, which were found to be non-transparent, and poor administration of contracts (Kokota 2012:11). In the same review, of the 132 contracts examined, about 84% incurred cost-overspills of up to 30% of the initial investment (World Bank 2003a). The CPAR (World Bank 2004) also indicated the same findings of public procurement problems and weaknesses.

Ameyaw, Mensah and Osei-Tutu (2011:240) state that inadequacy of appropriate training for practitioners on the public procurement process is a serious problem confronting public procurement reforms. This is corroborated by Onyinkwa (2013:571), who asserts that lack of knowledge of the procurement laws is one of the obstacles to the implementation of public procurement laws. Kofi (2014:5) and Osei-Tutu, Mensah and Ameyaw (2011) cite poor salaries of procurement personnel and the non-existence of career development opportunities and poor record maintenance as factors affecting public procurement reform implementation. Late payment of suppliers is also mentioned as one of the factors challenging public procurement performance and reform implementation (Sarfo & Baah-Mintah 2013:97). In a survey concluded in 2012 by Ameyaw et al (2012:61), it was reported that, of the 49 entities that partook in that study, only 5% had procurement personnel with proper qualifications in procurement. It was noted that this challenge seriously affected public procurement performance.

The government of Ghana has progressed in reforming its public procurement system by tackling issues affecting public procurement performance such as the legal framework and a lack of access to information (World Bank 2013). The reforming of the legal framework has laid the foundation for a standardised public procurement system that considers the nation's decentralisation and local industry development initiatives by creating the Public Procurement Board (PPB) as the main body whose mandate is to harmonise policies and promotion of efficiency and transparency in public procurement. In this decentralised system, procurement committees of the entities carry out the procurement for government bodies, with the PPB monitoring and evaluating their work.

The World Bank report also states that the Ghanaian government has partnered with the Swiss government to assist in the development of SPP policies and practices. The government of Ghana has also introduced procurement training at a higher level with new degrees and diplomas in procurement and public procurement (World Bank 2013).

Balaba (2012) suggests that the public procurement process in Ghana needed to be streamlined through removal of non-value adding activities in the process and the increasing of tender thresholds to decentralise procurement authority. It was also suggested that procurement procedures and policies be harmonised with laws, regulations and guidelines as well as continuous professional training of procurement staff emphasising on ethics. There was also a need for the Ministry of Education continuously to monitor procurement courses offered by the mushrooming colleges and institutions, particularly on the aspect of quality. The government needed to speed up the policy on PPPs as a strategy to improve service delivery (Balaba 2012).

3.7.6 Lessons from Malawi

Service providers lack capacity and this has seriously inhibited public procurement performance and successful procurement reforms in Malawi. The office of the Director of Public Procurement (ODPPa) in 2007 indicated that this lack of capacity included absence of basic knowledge of public procurement law, failure to comprehend standard tender documents, failure to properly publish tender information and lack of technical abilities as well as managerial skills to fully compete in the tendering process (ODPP 2007a). Unavailability of properly trained and qualified staff, budgetary constraints, inadequate office space and non-compliance with public procurement law, were also cited in their report as impediments to the public procurement process. These challenges are common in many other developing countries. The World Bank (2004) blamed political interference with the procurement process for poor performance and it is also a serious impediment in the implementation of public procurement reforms.

According to the Organisation for Economic Cooperation and Development (OECD/DAC 2007b), a number of changes to the public procurement process were introduced by the ODPP, including the complete decentralisation of the public procurement process of each procuring public entity. Concerted efforts were made to raise awareness of the new dispensation and to inform the stakeholders, who include public sector officials, the private sector, civil society and the public.

Table 3.1 reveals the assessment that was done on the aspect of inadequate human resources, the causes and strategies adopted.

Table 3.1: Human Resource capacity building strategies

| CAPACITY GAP | ROOT CAUSES | CAPACITY DEVELOPMENT |
|---|--|---|
| One of the findings of the procurement assessment in Malawi | <p>The root cause identified:</p> <ul style="list-style-type: none"> • Lack of a career path that can attract career civil servants to the profession • Existing long term procurement training options do not meet demand • The procurement function suffers from inherent low-status reputation | <p>Three corresponding strategies were formulated</p> <ul style="list-style-type: none"> • Jointly with HR authorities develop joint plan for making the profession more attractive • Strengthen collaboration between ODDP and long term training providers • Conduct public awareness campaign with a view to changing procurement attitudes |

Source: Adapted from Organisation for Economic Cooperation and Development, Development Assistance Committee. 2008. *Procurement Capacity assessment and strategy formulation in Malawi. Working Party on aid effectiveness: OECD/DAC joint venture on procurement*. www.oecd.org/dac/effectiveness/procurement and www.unpcdc.org.

Capacity development strategies were also considered at the organisational and societal level and capacity development itself was split into four different categories. The strategies identified for the categories are presented in the table 3.2

Table 3.2: Categories and strategies identified for each category

| | |
|--|---|
| Institutional reforms and incentives <ul style="list-style-type: none"> • Draft standard bidding documents for routine services • Develop procedures for safekeeping of procurement records • Establish mechanism for integrating procurement in the budgeting process | Education, Training and Learning <ul style="list-style-type: none"> • Conduct sensitization activities for procuring entities, user departments, private sector • Develop procurement guidelines for procuring entities and private sector • Establish formalised helpdesk functions |
| Leadership capacities <ul style="list-style-type: none"> • Sensitise politicians and top officials on the importance of sound procurement practices • Sensitise management levels and media on the importance of procurement to public service delivery | Accountability and voice mechanisms <ul style="list-style-type: none"> • Conduct information campaign to enhance public awareness of procurement • Accelerate dialogue between procurement authorities and private sector • Initiate systematic procurement monitoring in low performance areas |

Source: Adapted Organisation for Economic Cooperation and Development, Development Assistance Committee. 2008. *Procurement Capacity assessment and strategy formulation in Malawi. Working Party on aid effectiveness: OECD/DAC joint venture on procurement.* www.oecd.org/dac/effectiveness/procurement and www.unpcdc.org

Given the experiences highlighted in other African countries, the importance of public procurement cannot be over emphasised. The next section explains the importance of public procurement to the provision of service delivery.

3.8 PUBLIC PROCUREMENT PROCESS AND SERVICE DELIVERY

Public services are provided by governments to their citizens through the public sector and public procurement plays a critical role in the provision of these services. In a study at the National Spinal Injury Referral Hospital in Nairobi, Kenya it was found that public procurement systems were not aiding quality and efficient service delivery (Thuo & Njeru: 2014:70). This was corroborated by a study in Ghana at the Ghana Water Company Limited, where it was found that delays in the time taken for approvals for orders to be placed with suppliers, affected timely acquisition of products and services for public sector organisations (Oppong 2013: 108). Mutava (2013: 3) in a study on the impact of public procurement procedures on maintenance work carried out at the Ministry of Housing, National Social Security Fund and Kenyatta National Hospital, remarked that the ills facing corrective maintenance in the public sector resulted from the stringent public procurement procedures

stipulated in the Public Procurement Disposal Act. Public services are considered to be important and their provision should be guaranteed.

Public sector organisations are under considerable pressure to deliver quality public services and improve efficiencies (Essig, Amann & Boerner 2010). Public needs and expectations have continued to change when it comes to public services and their quality requirements (Alford & Flynn 2012:8). In public sector organisations, service quality practices are slow and this is further exacerbated by difficulties in measuring outcomes, greater scrutiny from the public, a lack of freedom to act arbitrarily and the need for decisions to be based on law (Kakwezi & Nyeko 2010:1).

In spite of the World Bank's endeavour through partnering with developing economies like Zimbabwe to improve the public procurement process, public procurement is still characterised by mediocre performance, as manifested by provision of poor quality products and services. Failure to meet expected performance service standards has tended to increase costs of operation and the inability to retain and attract qualified personnel in the public procurement function, thus affecting procurement performance and service delivery (Kakwezi & Nyeko 2010:4)

Johan (2006:106) suggests some very important slogans for public service delivery improvement: "If you fail to plan for service delivery, you definitely plan to fail to deliver such services to the public"; "If something cannot be measured, it can also not be improved". He adds that managers who plan to comply with regulations are not managers but robots, observing that managers must plan, implement and monitor processes and activities. He also mentions that managers should not be afraid to ask for feedback from customers on what they need and what they get, because they know better.

Taking into cognisance the problems and issues raised in the public procurement processes in the various countries, the next section looks at ways in which efficiency in the public procurement process can be enhanced to improve service delivery. The challenges noted in this section will be analysed with a view to finding ways to mitigate them in order to improve service delivery.

3.9 IMPROVING EFFICIENCY IN THE PUBLIC PROCUREMENT PROCESS

This section focuses on how an efficient public procurement process can be developed to enhance service delivery. How the process can be improved is based on the nature of challenges being encountered in the process, with different challenges calling for different measures.

3.9.1 Public procurement system benchmarking

Benchmarking is an important tool to improve public procurement performance and for effective public procurement reforms (NIGP 2012:7). Benchmarking is important in public procurement as such evaluation of public procurement results in better value for money, greater efficiency and effectiveness, more competition, transparency, accountability and administrative responsibility. Benchmarking remains one of the most effective methods for performance evaluation and improvement.

Benchmarking is a systematic process that examines what works and what does not in the public sector procurement process and that provides a framework for developing ideas for process improvements. Benchmarking has an ability to unearth dynamics that might not be identified by other evaluation techniques. The concept of “best practices” is the basis of benchmarking; hence, by using benchmarking, public entities can identify how their operations, processes and performance compare with those of similar entities in comparable contexts (Triantafillou 2007:829). Measuring performance in public procurement can be difficult if there are no benchmarks, because of changes and differences in the government structures and mechanisms of governance and because what determines expected performance will always change with time. Benchmarking can be carried out in many processes. There may be differences in the way it is carried out depending on the nature of activity being benchmarked, but there are common steps that are followed in the benchmarking process (Francis 2008:22, Keely & Abercombie 2008). Suggested steps are outlined in figure 3.1.

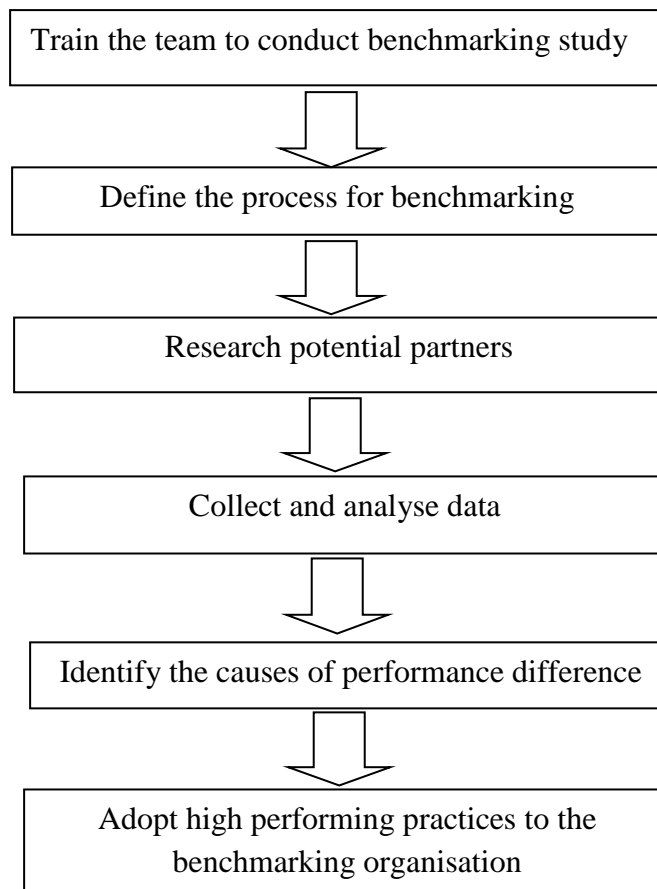


Figure 3.1: The benchmarking process

Source: Authors construction

It is the responsibility of the public procurement department to carry out all the functions of the procurement process from need recognition to delivery and storage. Benchmarking the public procurement process in Zimbabwe with other procurement functions and international best practices highlights areas and activities in the process that may require further improvements. In public procurement benchmarking, a comparative analysis of the various stages in the public procurement process should be carried out with regard to the stages of the public procurement process in Zimbabwe, which may be summarised as:

- Assessing the need for the goods and services;
- Specification of requirement;
- Approving list of potential suppliers;

- Invitation to tender;
- Bids evaluation;
- Contract award; and
- Monitoring of contract performance.

An efficient and effective public procurement system is premised on the need to enhance competition among suppliers and to achieve real value for money. This facilitates delivery of services in a timely manner since the goods or services are purchased in an efficient market, thereby driving down costs. The major objectives of public procurement system benchmarking are the determination of what and where improvements are needed and the analysis of how other firms are managing to meet high performance levels, with the objective of using this information to improve operations and performance.

According to Esig et al (2010:1245), benchmarking stimulates the competition that is necessary to create an incentive effect in terms of comparing one's practice to the other's practice (Keehley & Abercombie 2008), resulting in the improvement of performance and efficiency. This is corroborated by Triantafillou (2007:829), who reiterates that benchmarking is of critical importance in public administration as benchmarks are able to raise standards of public services and service delivery without incurring any additional costs. Zimbabwe can adopt benchmarking in the public procurement process as a strategy for improving service delivery.

3.9.2 Streamlining the public procurement process to improve service delivery

Public procurement plays an important role in service delivery and performance of government departments globally. Public procurement addresses a multitude of objectives, among others the fiduciary responsibility to deliver goods and services to constituents of the particular government (Uyarra & Flanagan 2009:2). It involves all the processes related the acquisition of goods and services by government and public entities (Roodhooft & Abbeele 2006:490). The procurement process in most of the countries is governed by public procurement laws and regulations such as Ghana (Public Procurement Act 663: 2003), Uganda (The Public Procurement and Disposal of Public Assets Act, Act no 1: 2003) and Kenya (Public Procurement and Disposal Act 2005) to name a few. In the past decade, a significant number of countries have been affected by the global recession, which has led to

shrinkage of budgets. Values involved in public procurement are significantly high and it is every government's obligation to warrant that resources are employed in the most productive, transparent and ethical way so as to promote sustainable development of both the economy and standards of living (European Parliament and Council, 2004; Murray, 2007:194), hence the need to streamline the public procurement process to make it more efficient.

Public procurement constitutes 18.42% of the world's GDP and this is a significant figure considering the financial challenges encountered by most regions in the world during the past decade (Mahmood 2010:12), for example, the economic recession in Europe and the perennial fiscal challenges faced by African countries. Basheka and Bisangabasaija (2010:91) explain that public procurement is progressively being recognised as being of paramount importance to service delivery by developing countries and as such there is a need to continuously streamline the process to make it more effective. In emerging economies, public procurement represents approximately 9-13% of the nation's GDP, while in Kenya it accounts for 60%, in Angola 58%, and in Uganda 70% of public spending and in Ireland 10% of Irish GDP (IBEC 2008:3). According to Ogot, Nyandemo, Kenduiwo, Mokaya & Iraki (2009:1), the level of spend in public procurement demands that the process be done as diligently as possible.

Streamlining of public procurement activities entails carrying out a value analysis of the public procurement process with a view to eliminating non-essential activities or devising changes necessary to current activities to make them more efficient and cost effective so as to ensure better service delivery to the public. The report of the Irish Business and Employer's Confederation (IBEC 2008:7) emphasises minimisation of the administrative burden of bidders as a method of reducing the length of the public procurement process, thus allowing bidders to dedicate more time to focusing on the technical proposal; this can be done through standardising the administration information required as well as by allowing contractors who were involved other tender processes recently some exemptions from the administrative requirements always required in every tender. Prospective bidders should be allowed an opportunity to register administrative information requirements through a national public procurement electronic platform, with specified timeframes of validity (e.g. two to three years) so that procuring entities can access them when carrying out evaluations. The main objectives of public procurement are to enhance public service delivery through: a reduction of costs; to promote transparency; to protect public funds; and to subvert corrupt tendencies.

The report recommended that contracting authorities should develop their annual procurement strategy related to sound budgetary planning and stated that poor service delivery in Ireland was attributable to the public procurement process and procedure. The report encourages the establishment of a procurement feedback group which should be made up of representatives from all stakeholders in the public procurement process whose mandate is to review and provide feedback on the national procurement issues and strategies and ultimately benefit all parties and the citizens.

The issues raised in the public procurement processes included the calling for tenders where there is no approved budget for the expenditure; this practice resulted in complications in concluding tender negotiations while the expectant public awaited the service and, in a number of cases, time delays of up to four years were experienced by some companies from announcement of the tender award to contract signing, as a result of funding issues (Sollish & Semanik 2012:13). In an effort to improve the public procurement cycle, early engagement is encouraged between all internal stakeholders from finance officers to the ultimate users, technical experts and legal advisors and this initiative should be invigorated at all levels. Procuring entities should be encouraged to formulate their annual procurement plans constituting the implementation plan of particular actions through yearly programmes based on the resources and disbursements allocated each year.

The amount of time the public procurement process takes is a serious issue hindering delivery of public services (IBEC 2008:6), from the recognition of the need and origination of the RFP to the signing of the contract, which takes years in some cases. In Zimbabwe, bidders felt that the timeframes set by contracting authorities are unreasonably long, placing an unwarranted burden on bidders and resulting in higher costs, which are eventually passed on to the public, ultimately denying the public of essential services (*Herald Business* 12 March 2012). These delays in the public procurement process have significant financial and resource repercussions on firms involved in the tender process, hence the need to streamline the public procurement process and activities.

This study focuses on current public procurement processes in Zimbabwe with the view to establishing the challenges that detract from service delivery and their effect on organisational performance and service delivery.

3.9.3 E-Procurement in the public procurement process to improve service delivery

E-procurement has experienced rapid growth in the past few years in the public sector. E-procurement involves carrying out the acquisition process using Internet based platforms supported by other information communication and networking systems, such as EDI and enterprise resource planning (Bailey 2008:394). E-procurement in public sector organisations enhances achievement of the benefits of increased procurement efficiency at lower cost as well as improved transparency and elimination of corrupt practices in the public procurement processes.

E-procurement in the public sector is part of Zimbabwe's larger e-government endeavours to better provide services to its citizens and businesses in the digital economy, which demands that all other government departments be on the platform to enjoy the full benefits of the system (Vaidya, Sajeew & Callender 2006: 70).

Singer, Konstantinidis, Roubic and Befferman (2009:2) note that e-procurement in the public sector increases efficiency and create greater transparency in the public procurement process through utilising electronic publication of tenders and award notification; this results in enhanced accountability and reduction in corruption. Service delivery is enhanced through the quick processing of government tenders. This is achieved through a reduction in administrative costs and bureaucracy, which helps the government to avoid repeating tasks, such as supplier registration and certification, providing for more efficient control mechanisms and reduction in paperwork. E-procurement reduces procurement prices through its ability to make many public agencies and private contractors converge. E-procurement resulted in a reduction of 20% in procurement costs in Brazil, 20% in Mexico and 22% in Romania, with better services being delivered to the citizens (Singer et al 2009:5).

This is corroborated by the *E-Procurement Bulletin* (Ghana Public Procurement Authority 2010), which reiterates the potential of savings to be made through using e-procurement in public procurement and its ability to expedite the public procurement process. The use of e-procurement in the public procurement process is therefore expected to benefit government, its citizens and procurement practitioners. Expected benefits come in three major areas, namely, governance, efficiency, and economic development (Ronchi, Allesandro, Ruggero & Xixi 2010:131). Public procurement is characterised by tensions between the public, the high expectations of good governance, high performance requirements of management and

broader stakeholder interests such as political influence and the private sector. E-procurement strengthens transparency and accountability in public procurement which is an area of intense public interest through its ability to avail information on day to day procurement transactions and its ability to improve compliance levels. It also helps in creating audit trails on public procurement transactions and ameliorating the standard of public procurement reporting, monitoring and management. E-procurement systems provide notices of online procurement and awarded contracts, enhancing fair competition and increased compliance with procurement policy and regulation, hence reducing opportunities for corruptive, collusive, fraudulent and coercive practices. According to Ronchi et al (2010:131), Rebecca (2008:146) and Aini and Hasmiah (2011:330), the benefits of e-procurement are reflected through increased price transparency, increased fair competition and lower transaction costs for bidders.

E-procurement facilitates digital assessments of commercial proposals, hence saving costs to the government through reduced manpower doing the bid evaluations (Aini & Hasmiah 2011:330, Rebecca 2008:146). According to Tiago et al (2009:287), e-procurement's ability to save costs is advantageous to the procuring entities through reduction in effort and the time required to process procurement documents, which is done electronically, diminished inventory costs and decreased order processing time. In summary, the main cost savings from using e-procurement in public procurement are reduced order processing costs, administrative costs (e.g. paperwork, salaries), lead-time and opportunity cost of capital, all of which are achieved through a faster and more efficient public procurement process (Ronchi et al (2010); Trkman & Kevin 2010).

However, like all emerging countries, Zimbabwe faces impediments in the administering of the e-procurement concept in public procurement in spite of its numerous benefits. Rebecca (2008:146) states that the practice of e-procurement has not been embraced in emerging countries due to existing barriers, such as poor transportation infrastructure, financial constraints, poor telecommunication infrastructure, government legislation and lack of political will.

3.10 CONCLUSION

The chapter has examined previous experiences and challenges with regard to the procurement and public procurement process in selected African countries and how they have affected service delivery. Mitigatory measures adopted in those countries were examined and

other possible measures that can be assumed to counter challenges in public procurement were identified. The challenges identified in this chapter were used to craft the interview guide, which is discussed in the next chapter.

Since the aim of this study is to identify the challenges in the procurement process that detract from achieving service delivery in Zimbabwe, this literature review was necessary as in order to lay the groundwork for the empirical study. The next chapter deals with the research methodology of this study.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 INTRODUCTION

The preceding chapters have explained the area of the study, the research problem and questions, the aims of the study, the research objectives and scope, the limitations, the delimitations and the contribution to be made by the research. Chapter 2 has presented a comprehensive review of prior researches and literature in the area of procurement and public procurement. Past empirical studies on the area under study were reviewed. Chapter 3 has identified some challenges in the public procurement process that detract from service delivery in the public sector. It has also discussed the challenges in the public procurement process experienced in other countries, which were used as a basis for the crafting of the interview guide.

The aim of this chapter is to outline the research methodology that was used in the study, that is, the research design, data collection, presentation, analysis and interpretation. The chapter starts by explaining the meaning of research design in order to develop a framework for the research design process.

4.2 THE MEANING OF RESEARCH DESIGN

4.2.1 The meaning of Research

Research is “any gathering of data, information and facts for the advancement of knowledge” (Shuttleworth & Martyn 2008). Creswell (2008:8), states that research is a process made up of a number of steps that follow a chronological order used to collect and evaluate information to reinforce comprehension of a subject or issue. In broader terms, research is expressed as comprising three steps: (1) the question; (2) data collection to answer the question; and (3) the presentation and analysis to answer the question (Creswell 2008:8). Research can be broken down into the following steps (Creswell 2008:3):

- Identification of the research problem.
- A literature review, which identifies gaps in previous research in a given subject and which provides reason and justification for the study. A literature review is often

conducted before a research question is identified. A gap identified in the current literature engenders a research.

- Specifying the purpose of research.
- Determining specific research questions or hypotheses.
- Data collection to answer research questions.
- Analysing and interpreting the data through the use of a variety of statistical methods.
- Reporting and evaluating the research.
- Communicating the research findings and suggesting recommendations

4.2.2 The meaning of Design

A design is a roadmap or a strategic approach used by an individual or individuals to achieve a certain objective. A design shows the specifications, plans, parameters, costs, activities and processes carried out to achieve that objective as well as the how and what to do within legal, political, social, environmental, safety and economic constraints (Ralph & Wand 2009:109). A research design can therefore understood as a comprehensive outline of how an investigation will be carried out, including how data is to be collected and what instruments are to be used, how these instruments will be employed and how collected data will be analysed (Erikson & Kovalainen 2008:4).

4.3 PROBLEM STATEMENT AND OBJECTIVES OF THE STUDY

The public procurement process is an important activity in order for governments to achieve its service delivery objectives (Thuo & Njeru 2014: 70, Luyimbazi 2014: 5). Failure to successfully provide those services has been attributed to the public procurement process in some countries such as Ghana (Oppong 2013: 108), Kenya (Mutava 2014: 10) and Uganda (Luyimbazi 2014: 7). Public procurement has been blamed for the non-delivery of services in various sectors, and this was attributed to challenges associated with the public procurement process in Zimbabwe (Musanzikwa 2013: 122, Chimberengwa, Masuka, Gombe, Tshimanga & Bangure 2015: 5). This has led to the decision that the principal objective of this study should be to diagnose the challenges in the public procurement process that detract from achieving service delivery in Zimbabwe.

Hence, as noted in 1.8, the research question has been formulated as follows:

What are the challenges in the public procurement process that detract from achieving service delivery in Zimbabwe?

4.3.1 Primary objective

The primary objective of the study is as follows:

- To identify the challenges in the procurement process that detract from achieving service delivery in Zimbabwe.

4.3.2 Secondary objectives

The secondary objectives of the study are as follows:

1. To provide insight into the public procurement process in Zimbabwe;
2. To identify challenges in the procurement process that negatively impact service delivery in Zimbabwe (through a qualitative investigation including in-depth semi-structured interviews);
3. To determine the extent of these challenges experienced (through a quantitative investigation by means of a questionnaire);
4. To explain the reasons for these challenges (through a qualitative section included in the questionnaire);
5. To identify and suggest recommendations to stakeholders in the public procurement sector in Zimbabwe to overcome the identified challenges ; and
6. To identify and suggest to stakeholders in the public procurement sector how the procurement process could be improved to enhance service delivery.

The first secondary objective has been achieved through a review of the relevant literature which is addressed in chapter 2 and 3. In order to achieve secondary objectives two, three, and four, primary data has been collected. The primary data collection consisted of two phases. These phases are explained in 4.7 and 4.8 below. Objectives five and six are achieved through analysis and discussion of the findings.

4.4 MEASURES TO ENSURE VALIDITY AND RELIABILITY OF THE DATA

4.4.1 Validity

Validity is defined by Radhakrishna (2007) as the amount of systematic or built-in error in measurement. The type of validity to use (face validity, content validity, and criterion related validity or construct validity) depends on the objectives of the research (McDaniel & Gates 2013:217; Naude 2009:148). The researcher used content validity and face validity in this study. Face validity assesses whether the test 'looks valid' to the examinees who take it, the administrative personnel who decide on its use and other technically untrained observers. Content validity requires the use of recognised subject matter experts to evaluate whether test items assess defined content and more rigorous statistical tests than does the assessment of face validity (Wilson, Pan & Schumsky 2012:197).

Validity of the data collected was measured using a pilot testing method. Pre-testing is defined as a trial run to screen out problems in the instruments or design of a questionnaire carried out with a group of respondents (Creswell 2009:143). This is an important part of questionnaire design and, as suggested by Kombo and Tromp (2009:9), the questionnaire is pre-tested with a small representative sample to prove validity of data collected. The procedure works as a checking mechanism for any conceivable misconceptions, misinterpretations or predisposition in judgment with regard to the various questions and procedures.

According to Brains, Willnat, Manheim and Rich (2011:105), pretesting and pilot testing of a questionnaire is aimed at addressing the validity issues of whether it is measuring what it designed to measure, if it is relevant for the sample, if it epitomises the required content and if it is sufficiently comprehensive to gather all the information required to address the expectations and goals of the study. When these questions are addressed and readability tests are also carried out, questionnaire validity is enhanced and, when appropriate changes have been made based on both a field test and expert opinion, the questionnaire will now be primed for pilot testing.

The pilot study used in this study is explained in 4.8.3 in this chapter.

4.4.2 Reliability

Reliability is explained as random error in measurement and it indicates the accuracy of the measuring instrument (Brains et al 2011:105), that is, whether the instrument consistently measures whatever it measures (McDaniel & Gates 2013:215).

Triangulation was used for measuring the reliability of data in this study. Triangulation is a method commonly used by qualitative researchers to examine and establish validity and reliability in their studies by analysing a research question from multiple viewpoints (O’Grady & O’Grady 2009:76). Maxwell (2012:122) explains the misconception that triangulation aims at arriving at consistency across data sources or approaches; inconsistencies are likely to show the relative strengths of different approaches (Collins 2010:170). These inconsistencies should be viewed as an opportunity to uncover deeper meaning in the data and not as weakening the evidence.

The research consists of two phases, Phase I and phase II. Phase I of the empirical study involved an in-depth interview with five participants, using an interview guide. The interview guide contained details of the topics to be addressed with the participants. The main aim of the interviews was to extract qualitative data from the interviewees in order to determine the challenges in the public procurement process that detract from service delivery. The results of these interviews are dealt with in Chapter 5 of this study.

Phase II involved drawing up a questionnaire from the data gathered from the first research phase. The questionnaire was tested to determine the extent of identified challenges in public procurement and whether they detract from achieving service delivery in Zimbabwe. The results of the second phase of the study are dealt with in Chapter 6 of this study.

4.5 THE RESEARCH DESIGN ADOPTED FOR THIS STUDY

A research design is a framework for the collection, analysis and interpretation of data (Collins 2010:147; Myers, Well & Lorch 2010:10; Voght, Gardner & Haefelle 2012:9, Mitchell & Jolley 2009). Creswell (2008:5) states that a research design is a “plan or proposal to conduct research which involves the intersection of philosophies, strategies of inquiry and specific methods”. A research design is also explained by Gorard (2013:3) and Mallison, Childs and van Herk (2013:3) as a master plan that specifies the methodology for data

collection and analysis (McDaniel & Gates 2013:42). Creswell (2013:3) adds that research designs may include the qualitative, quantitative or mixed methods research and that these are based on philosophical worldview assumptions, also called research paradigms; the strategies of enquiry related to these worldviews and the specific procedures and methods in the research translates the methodology into practice.

This research aimed at collecting data and analysing it with the view of identifying the challenges in public procurement that detract from achieving service delivery in Zimbabwe. Once the research problem had been identified and the literature review completed, a structure was developed for conducting the empirical research (Creswell 2013:19; Gorard 2013:3; Myers et al 2010:3; Vogt et al 2012:31).

The following table (Table 4.1) indicates four research paradigms and how, according to Creswell (2008:5), the researcher chooses qualitative, quantitative or mixed research methods.

Table 4.1: Research Paradigms

| Post positivism | Constructivism |
|---|--|
| <ul style="list-style-type: none"> • Determination • Reductionism • Empirical observation and measurement • Theory verification | <ul style="list-style-type: none"> • Understanding • Multiple participant meeting • Social and historical construction • Theory generation |
| Advocacy/Participatory | Pragmatism |
| <ul style="list-style-type: none"> • Political • Empowerment issue oriented • Collaborative • Change oriented | <ul style="list-style-type: none"> • Consequences of actions • Problem centred • Pluralistic • Real world practice oriented |

Source: Creswell, J.W. 2008. *Educational research: Planning, conducting, and evaluating quantitative and qualitative research*. 3rd Edition. Upper Saddle River, NJ: Prentice Hall.

4.5.1 The Research paradigm adopted for this study

This study uses the pragmatic paradigm as a basis of the research design. This research paradigm is based on actions, situations and their consequences and places its emphasis on the research problem instead of focusing on methods, making use of all available approaches to understanding a problem; it is described as the philosophical underpinning for mixed methods research (Creswell 2008:10).

Guest (2013:141) and Creswell (2008:10) state that pragmatism provides a philosophical basis for research in that the following ways:

- Pragmatism does not commit itself to any particular system of philosophy and reality and this applies to the mixed methods research methodology where researchers use quantitative and qualitative assumptions in their research.
- Because researchers have freedom of choice, they are free to choose methods and techniques as well as research procedures most appropriate for their needs and purposes.
- In pragmatism, the world is not viewed as an absolute unity and researchers do not look to a particular approach (qualitative or quantitative) but make use of many approaches for collecting and analysing data because they work to provide the best understanding of a research problem.
- With the pragmatic worldview, researchers look at the ‘what and how’ of research. In mixed methods research, it is important that researchers establish the purpose of the mixing and the reasons justifying the need to mix qualitative and quantitative data in the first place.
- Pragmatism gives the researcher the opportunity to make use of multiple methods, obtain different views to problems, and make different assumptions and different methods of data collection and analysis (Creswell 2008:10, Morgan 2007).

4.5.2 The Methodological Approach Adopted for this Research Study

This study uses both descriptive and exploratory approaches and contains quantitative and qualitative data in data collection and analysis. The two major reasons for using these approaches are that there are important aspects of the study that are based on existing literature in the public procurement process and primary sources have to be used to determine

the challenges in the public procurement process that detract from service delivery. Figure 4.1 classifies the types of research into two broad categories and some of their subcategories (Naude 2009:150).

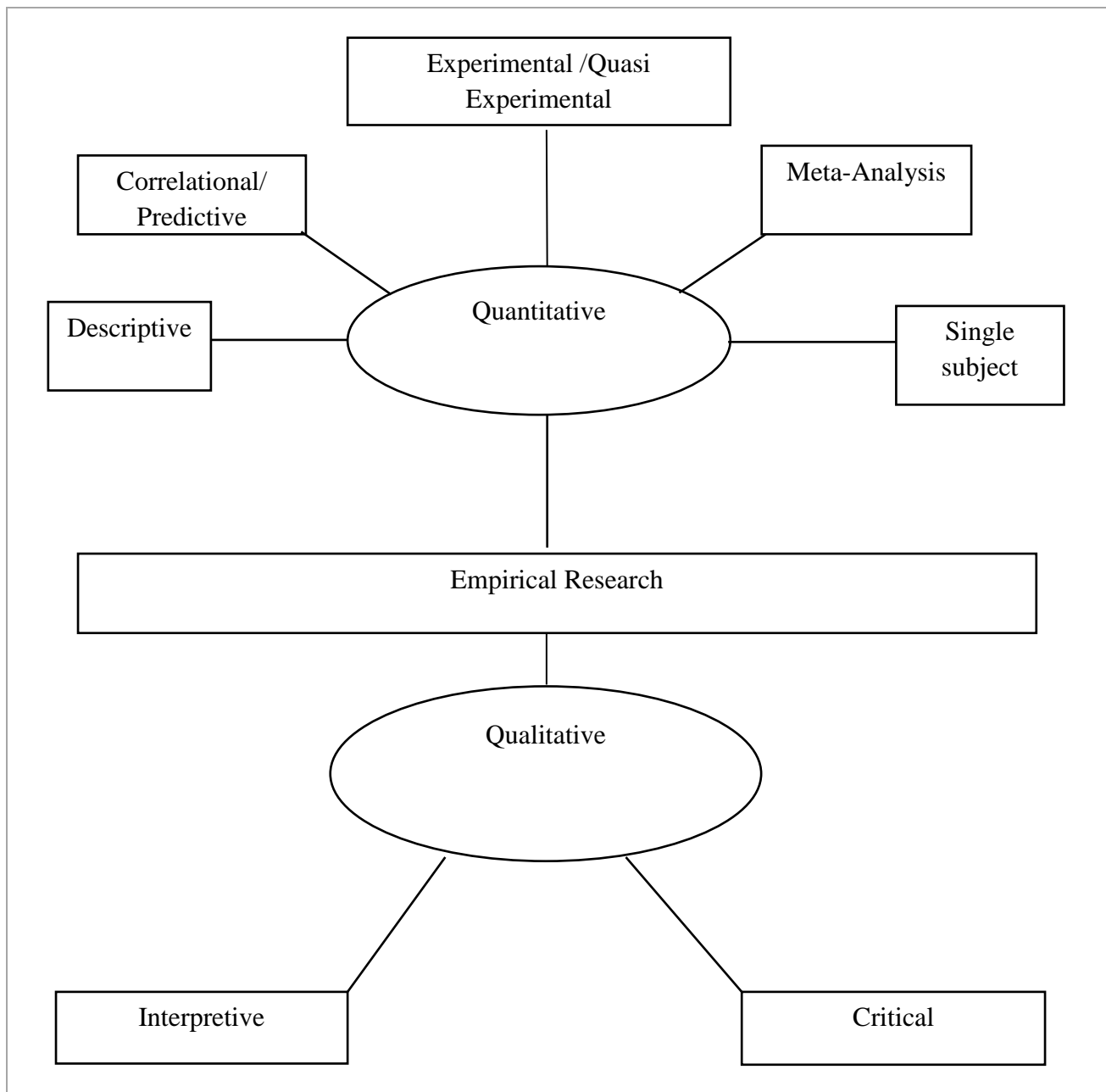


Figure 4.1: Organisation of empirical research

Source: Naude, M.J.A. 2009. Supply chain management problems experienced by South African automotive component manufacturers. D.Com Thesis. University of South Africa, Pretoria: 151.

This research study uses more to the interpretative and critical approach than to the positivist approach (Naude 2009:151). The data which was collected is qualitative, and the researcher envisages that the findings of this study could create opportunities for improved service delivery

4.5.3 TYPES OF RESEARCH

4.5.3.1 Exploratory Research

Exploratory research is a useful research approach when the problem is not clearly defined and it facilitates the determination of the most appropriate research design, data collection strategies and selection of participants (Sekaran & Bougie 2013:97).

This study uses the exploratory research design, which is conducted in order to determine the nature of the problem. Saunders et al (2007:134) and Creswell and Clark (2011:187) state that exploratory research helps the researcher to have a better understanding of the problem, that is, the challenges in the public procurement process detracting from service delivery, but it is not intended to provide conclusive evidence. This is corroborated by Bell (2010) and Maxwell (2012:66), who state that exploratory research design does not aim to provide the final and conclusive answers to the research questions but merely explores the research topic at varying levels of depth. A distinctive characteristic of exploratory research is that it is suitable for tackling fairly new issues where little or no previous research has been carried out (Saunders et al 2007:134). No previous studies have been conducted on the research topic in Zimbabwe. Therefore the exploratory framework is deemed appropriate for this study. The researcher aims to address the challenges in the public procurement process detracting from service delivery and to provide new insight into the matter. Exploratory research is useful when the subject is new and when data is likely to be difficult to collect.

4.5.3.2 Descriptive research

Another important aspect of the study is based on existing research and literature data on the current status of the public procurement process; therefore, descriptive research is the appropriate research method to use. This type of research is useful in describing the status quo in respect to conditions or variables that are found in a given situation (Sekaran & Bougie 2013:97; Shields & Rangarajan, 2013:109). The descriptive approach to research

cannot exactly be defined as quantitative or qualitative research, but importantly it makes use of elements of both within the same study. The term descriptive research refers to the type of research question, design, and data analysis that will be used in a given study. Comparatively descriptive statistics often answer the question *what is*, while inferential statistics try to determine *cause and effect*. This study also employed the descriptive research design.

4.5.4 Qualitative Research

Qualitative research is a research design that is commonly used in different fields like social sciences and market research (McDaniel & Gates 2013:80). Qualitative researchers gather an in-depth understanding of human behaviour and the reasons resulting in such behaviour. The qualitative method investigates the why and how of decision making, not just what, where, when, which makes it exploratory (Creswell 2013:13; Erikson & Kovalainen 2008:4; Heppener, Wampold & Kivlighan 2007:258).

The objective of qualitative researchers is to establish an in-depth comprehension of human behaviour and the influences for such behaviour. Qualitative research methodology investigates *why* and *how* decisions are made and not only just *what*, *where*, *when* and often uses smaller focused samples (Creswell 2012:47; O'Grady & O'Grady 2009:17). Qualitative research is often used to collect data, ideas and insights which will be quantitatively analysed using quantitative research techniques.

Creswell (2012:47), supported by Thomas, Nelson and Silverman (2010:354), explains that qualitative research is appropriate where the subject under study is very complex and cannot be answered by a simple yes or no hypothesis, which is the case with this study. These types of designs are also useful when budgetary constraints are being experienced.

The wideness of scope of a qualitative research design ensures that all data important to the research are accumulated as compared to the situation with quantitative experiments and ultimately time is saved. Qualitative research methods can generate meaningful dependable and representative results with a small sample group compared to quantitative methods, which very much depend on sample size.

4.5.5 Quantitative Research

Quantitative research is a systematic method that investigates social phenomena using mathematical and scientific techniques (Creswell 2013:155; O’Grady & O’Grady 2009:17)). Research design aims at developing and utilising methods and models in respect of a particular phenomenon. The process of measurement is very important in quantitative research as it avails the important link between empirical study and scientific expression of quantitative relationships (McDaniel & Gates 2013:80). Quantitative data is numerical data that can be in the form of, amongst others, statistics, percentages and tables. (Moballeghi & Moghaddam 2008:125). In quantitative research, data are analysed using statistical methods and models, and are expected to produce results that are unbiased and generally applicable to larger populations.

While qualitative research seeks to answer the why, how and when of decision making (Creswell 2013:13; Heppener et al 2007:258) quantitative research design aims to provide answers to such questions as how many people feel or behave in a certain way and how often they behave in that way. Quantitative research enables researchers to make comparisons between groups and make estimates from a sample that will be generalised to the entire population with a degree of certainty.

According to Marshall and Gretchen (2010:10), the fundamental objective of a qualitative research study is to provide a comprehensive detailed explanation of the research topic; it is exploratory in nature. On the other hand quantitative research mainly focuses in constructing statistical models and figures to explain what is observed though qualitative research. The goals and features of these research designs are depicted in Table 4.1.

Table 4.2: Qualitative vs. Quantitative

| | Qualitative Research | Quantitative Research |
|---------------------|--|---|
| Objective / purpose | <p>To gain an understanding of underlying reasons and motivations</p> <p>To provide insight into the setting of a problem, generating ideas and/or hypotheses for later quantitative research</p> <p>To uncover prevalent trends in thought and opinion</p> <p>To understand and interpret social interactions</p> | <p>To quantify data and generalise results from a sample to the population of interest</p> <p>To measure the incidence of various views and opinions in a chosen sample</p> <p>Sometimes followed by qualitative research which is used to explore some findings further</p> <p>To test hypotheses, look at cause and effect and make predictions</p> |
| Sample | <p>Usually a small number of non-representative cases</p> <p>Respondents selected to fulfil a given quota</p> <p>Smaller and not randomly selected</p> | <p>Usually a large number of cases representing the population of interest</p> <p>Randomly selected respondents</p> |
| Data collection | <p>Unstructured or semi-structured techniques e.g. individual depth interviews or group discussions</p> <p>Words, images and objects</p> <p>Data collected is qualitative data such as open-ended responses, interviews, participant observations, field notes and reflections</p> | <p>Structured techniques such as online questionnaires, on-street or telephone interviews</p> <p>Data collected is quantitative data based on precise measurements using structured and validated data collection instruments</p> |
| Data analysis | Non-statistical | <p>Statistical data is usually in the form of tabulations (tabs)</p> <p>Findings are conclusive and usually descriptive in nature.</p> |
| Outcome | <p>Exploratory and/or investigative</p> <p>Findings are not conclusive and cannot be used to make generalisations about the population of interest</p> <p>Develop an initial understanding and sound base for further decision</p> | <p>Used to recommend a final course of action</p> <p>Generalisable findings that can be applied to other populations</p> |

| | | |
|---------------------|---|--|
| | Qualitative Research | Quantitative Research |
| | making. | |
| Final Report | Narrative Report with contextual description and direct quotations from research participants | Statistical reports with correlations, comparisons of means and statistical significance of findings |

Source: Johnson, B. & Christensen, L. 2008. *Educational research: Qualitative, quantitative and mixed approaches*. Thousand Oaks, CA: Sage: 34.

4.6 THE MIXED METHODS APPROACH

This research is a mixed method study, incorporating both qualitative and quantitative approaches (Rauscher & Greenfield 2009). While the research is partly qualitative, quantitative statistics are also be used in the analysis of data. Qualitative and quantitative research has been used in this study since both approaches provide different perspectives and they usually complement each other to achieve the best insights (Cresswell 2013:215; Voght et al 2012:103).

Mixed methods research designs come in two forms, that is, fixed and emergent, and researchers need to be cognisant of the circumstances in considering the choice between these options. Fixed mixed method designs entail the use of both quantitative and qualitative methods. This is predetermined at the beginning of the research process, and the procedures are carried out as pre-planned. The emergent design method is where the use of mixed methods is as a result of issues that develop during the process of conducting the research. Emergent mixed method designs entail the addition of a second approach (either quantitative or qualitative) when the study is underway, depending on which one forms the main approach used in the study, because one method is found to be inadequate (Creswell 2013:14; Hall & Howard 2008: 248; Morse & Niehaus, 2009; Voght et al 2012:103). The fixed method is the research design that was deemed appropriate for this study using a sequential exploratory approach. The sequential exploratory approach begins by a qualitative exploration followed by a quantitative follow up or by a quantitative analysis of findings (Creswell & Plano Clark 2011). This means the need to first explore the qualitative data collection followed by using the resultant qualitative findings to design a quantitative instrument. Once this is designed the

instrument will then be administered to a sample or population (Song, Sandelowski, & Happ 2010: 725). Interview data themes can be used to design a questionnaire followed by an administration of the instrument to determine whether the scales can be generalised. Figure 4.2 shows the steps for conducting a mixed methods study.

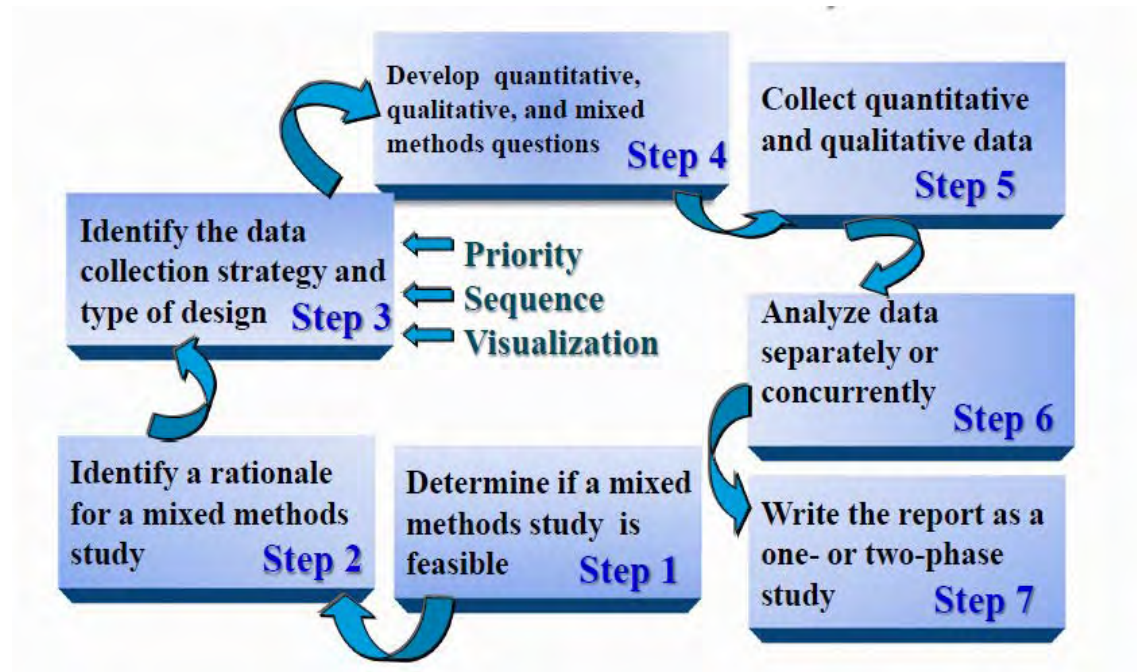


Figure 4.2: Steps for conducting a mixed methods study

Source: Fischler, A.S. 2012. *Mixed methods*. Miami United States of America: Nova South-Eastern University, School of Education: 10.

The mixed method approach is able to increase both the validity and the reliability of data (Creswell & Clark 2011:179; Sekaran & Bougie 2013:146). Using more than one method to study the same phenomenon increases the validity of results. The mixed methods design makes use of both quantitative and qualitative data collection methods depending on the subject under study (Creswell & Clark 2011:179; Fischer 2012; Sekaran & Bougie 2013:146).

Researchers like to combine the two methods as it sharpens their comprehension of the findings. The process may start with a qualitative approach, such as a focus group discussion, which alerts the researcher to issues that should be further explored, followed by a survey, which then can be followed by in-depth interviews for clarification of the survey findings (Axinn & Pearce 2007:1). The reasons for using the mixed methods approach in research may be summarised as follows:

1. When both quantitative and qualitative data used together will provide a better understanding of the research problem than either type by itself.
2. When use of either qualitative or quantitative data cannot adequately address the research problem and answer the research questions.
3. Pragmatism – practicality. Use of mixed methods research presents multiple viewpoints: biased and unbiased, subjective and objective.
4. To incorporate a qualitative component into an otherwise quantitative study.
5. Using mixed methods enables the researcher to build from one phase of a study to another.
6. To explore qualitatively and then develop an instrument (Creswell 2012:47; Creswell & Clark 2011:179; Fischler 2012; Sekaran & Bougie 2013:146).

The major reason that motivated the use of the mixed methods approach in this study was that, when both qualitative and quantitative data are used together, they provide a better understanding of the research problem than either type by itself.

This research consisted of two phases. Each phase is dealt with in turn in 4.7 and 4.8 below.

4.7 FIRST PHASE OF THE PRIMARY RESEARCH (PHASE I)

A number of data collection methods can be used in research, such as interviews, focus groups surveys, telephone interviews and questionnaires (Heppner et al 2007:282; Voght et al 2012:31). Data collection in this first phase of this study consisted of the use of semi-structured interviews with senior procurement staff involved with public procurement at two ministries and three public entities, in order to clarify information and identify possible challenges in the public procurement process detracting from public service delivery (see Table 4.3). An explanation is provided behind the reasoning as to why these three entities were selected is provided as follows:

- **The Ministry of Health and Child Welfare** was chosen to participate in this study mainly because of the critical importance of the services the ministry provides, that is, ensuring health services delivery in the country. The ministry has a responsibility to ensure availability of essential drugs to the public and provision of healthcare

facilities and to manage disease outbreaks and epidemics, which makes procurement an essential part of their operations.

- **The Ministry of Transport and Infrastructural Development** is responsible for managing the country's road network, which includes construction of new roads and maintenance of the existing road infrastructure. The ministry was selected to participate in this study because of the significant annual spend on purchases as well as the criticality of the service.
- **Zimbabwe Power Company** was selected mainly on the basis of the fact that it is the largest parastatal in the country, measured on the basis of the magnitude of procurement spend, and that it provides an important service that plays a pivotal role in the economy, that is, power generation and distribution.
- **Petrotrade** was selected to participate on the basis that it also is mandated to provide a critical source of energy, namely, fuels and oils, and that provision of such services is also made by private companies which Petrotrade has to compete with whilst its procurement is done through the public procurement process.
- **The National Aids Council**, which operates as parastatal, was chosen to participate in this study mainly because of the importance and urgency of the service they provide. Its mandate is the provision of AIDS related drugs (anti-retroviral drugs) to the whole country. It works with local manufacturers as well as importing such drugs for distribution throughout the country.

The most important and common factor in the selection of the five participating entities (the two ministries and the three parastatals) is the criticality of the service they provide and their significant public procurement spend. It must be noted that the objective is not to compare these five participating entities, but rather to determine what they perceive to be the procurement challenges in the public procurement process that detract from service delivery.

4.7.1 Preparation for data collection

As stated in Naude (2009:156), the following five skills are required by a researcher when conducting interviews:

- The ability to ask the right questions and to interpret the answers to these questions.
- The ability to be a good listener whose own biases and ideas will not restrict or influence objectivity.

- The ability to be flexible and adaptive to new circumstances encountered viewing these as opportunities and not threats.
- The ability to understand the study clearly and the issues involved.
- The researcher should not be biased by predetermined views, including those obtained from theory.

Prior to the interviews taking place, the participants (see Table 4.3) were contacted to set up appointments. A copy of the interview guide was sent to these potential respondents in advance of the interview, in order for them to assess and analyse the questions before responding.

Table 4.3 Interview Participants and Appointments

| Interviewee | Position | Date | Time |
|--------------------|---|-------------|---------------------|
| Participant 1 | Middle Level Management Ministry of Health and Child Welfare | 10/02/2014 | 15:00hrs - 16:05hrs |
| Participant 2 | Middle level Management Ministry of Transport and Infrastructural Development | 24/03/2014 | 12:30hrs - 13:30hrs |
| Participant 3 | Middle Level Management National Aids Council | 12/03/2014 | 15:00hrs - 16:00hrs |
| Participant 4 | Senior Level Management Zimbabwe Power Company | 10/02/2014 | 11:00hrs - 10:15hrs |
| Participant 5 | Middle Level Management Petrotrade | 14/02/2014 | 14:20hrs - 15:25hrs |

4.7.2 Data collection

The first phase of the primary research consisted of in-depth interviews, using a semi-structured interview guide. Semi-structured questions allow new ideas to be brought up during the interview as a result of what the interviewee says and this plays an important role in the structuring of the questionnaire.

4.7.3 The Interview

The interview method of obtaining data (Collins 2010:134; Erikson & Kovalainen 2008:78) is a direct face to face interaction between two people, namely, the interviewer and the interviewee (Sekaran & Bougie 2013:119) and its effectiveness is based on the communication skills of the interviewer (Clough & Nutbrown 2007:134). In-depth interviews are excellent tools to use in research, mainly due to the fact that they use an open-ended, discovery-oriented method, which gives the interviewer an opportunity to critically explore the respondent's feelings and perspectives on a subject. The outcome of this is solid background information that helps to further probe and questions that are relevant to the study. Interviews involve not only asking questions but also systematically recording and documenting the responses to probe for deeper meaning and understanding. The semi-structured interview guide consisted of clearly structured questions (Cohen, Manion & Morrison 2007: 355) and interviews were conducted using a semi-structured interview guide (attached as appendix A).

The interview guide was structured in a way that made it easy for the participants to respond. The decision to use the interview method of collecting data was appropriate as the research primarily focused on providing insight and understanding. The interviews are aimed at addressing objective two of this study.

The interviews were recorded using an audio recorder whilst the interviewer was also taking notes.

4.7.4 Participants

The population of this study is made up of 25 ministries and 52 public entities in Zimbabwe. As indicated in Table 4.3, five participants took part in the first phase (phase 1) of the study this study. In the ministries, procurement is carried out by procurement officers / directors, who act on the authority of the AO, in this case the secretary for each respective ministry. Initial telephonic contact was made with two directors from two ministries and three procurement managers at three public entities in order to elicit assistance to conduct the study and set up a time for interview appointments.

4.7.5 Interview guide

An interview guide was designed, containing details of the areas to be addressed with participants. The main aim of the interviews was to extract qualitative data from the participants in order to determine what the challenges in the public procurement process are that detract from achieving service delivery in Zimbabwe. The interview guide included a mixture of open-ended and closed-ended questions that facilitated probing. To ensure that questions were clear, comprehensive and unambiguous, the interview guide was analysed by the following people:

- Participant 6 – Senior Procurement Consultant at Harley Reed Consultants
- Participant 7 – Senior Level Management at Chinhoyi University of Technology.

4.7.6 Analysing Data

Qualitative data was analysed using content analysis. Content analysis is a research methodology for studying the contents of communication. Content analysis is defined as "the study of recorded human communications, such as books, websites, paintings and laws". Content analysis enables the researcher to include large amounts of textual information and systematically identify its properties, such as the frequencies of most used keywords, by locating the more important structures of its communication content. Such amounts of textual information must be categorised to provide a meaningful reading of content under scrutiny (Babbie 2010:530). Hancock, Ockleford and Windridge (2009:14) note that "content analysis is a systematic approach to analysing qualitative data. Focus groups, key informant interviews, and other qualitative data collection methods can create pages and pages of information. Content analysis is a way to distil the information into categories (sometimes referred to as themes) that will help you make sense of the data." Therefore content analysis was an appropriate method in phase 1 of the study.

4.8 SECOND PHASE OF PRIMARY RESEARCH (PHASE II)

Once these potential challenges in the public procurement process were identified in the qualitative research, a questionnaire was designed that included all the problems identified in the literature review and the semi-structured interviews. The aim was to address objectives three and four of the study, which are to determine whether these are challenges, what the

extent of these challenges is and to explain the reasons for these challenges (through a qualitative section included in the questionnaire)

This questionnaire was sent out to all the ministries and the entities, in order to cross-check the results.

4.8.1 The Questionnaire

Data gathered from the in-depth interviews with the five participants was used to draw up the questionnaire. The questionnaire had both structured and semi structured questions. The structured questions were arranged in sections and a comments section was given at the end of each section so that respondents would be able to elaborate or comment on the sections to solidify their response to the structured questions. A seven-point Likert Scale was used to indicate the extent of the problems from one for the least extent to seven for the greatest extent. A seven-point Likert scale reflects an inclusive, exhaustive and mutually exclusive category and results in more precise data with a high level of reliability and validity and more meaningful statistical results as well as fewer neutral and uncertain responses (Pearse 2011:163, Pierce, R. 2007). Finstad (2010:108) states that a seven-point Likert scale is sensitive enough to minimise interpolations and is also compact enough to be responded to efficiently and that it excels in both objective accuracy and ease of use.

According to Thomas et al (2010:273), a questionnaire is a data collection tool which is normally designed by the researcher. Its primary purpose is to communicate to the respondents what exactly is intended and to elicit a desired response in terms of empirical data from them. This type of instrument was used in the study because questionnaires can cover a large geographical spread and can be used to reach a large number of people. They are not costly and no prior arrangements are needed before posting to the respondents. They allow respondent Fig. 4.3: Sequence for Questionnaire/Instrument developments to consider responses, especially where there are pre-coded options and avoid. Questionnaires are usually responded to anonymously and, if they are administered correctly, they have no interviewer bias (Collins 2010:148).

Questionnaire distribution for the purposes of the study was made easy in that all the ministries have head offices in Harare except for one in Bulawayo (which nevertheless has a regional office in Harare). The researcher visited the offices of the ministries personally and

distributed the questionnaires. Most of the buildings housing ministries are concentrated on the eastern side of Harare. All the public entities have their head offices spread across the Harare city centre and this made it easy to distribute the questionnaires. The researcher distributed the questionnaires personally to the head offices of the entities. Respondents were given three weeks to complete the questionnaire, after which date the researcher collected them. To ensure a high response rate, the researcher reminded the respondents to complete the questionnaire after two weeks by calling them as well as emailing them.

4.8.2 Questionnaire Design

Questionnaires are the most commonly used method for data collection in research and they help collect data on opinions, attitudes, behaviours, knowledge and facts (McDaniel & Gates 2013:116). Figure 4.3 illustrates the five steps involved in the development and testing of a questionnaire and this is followed by a brief description of each of the five steps:

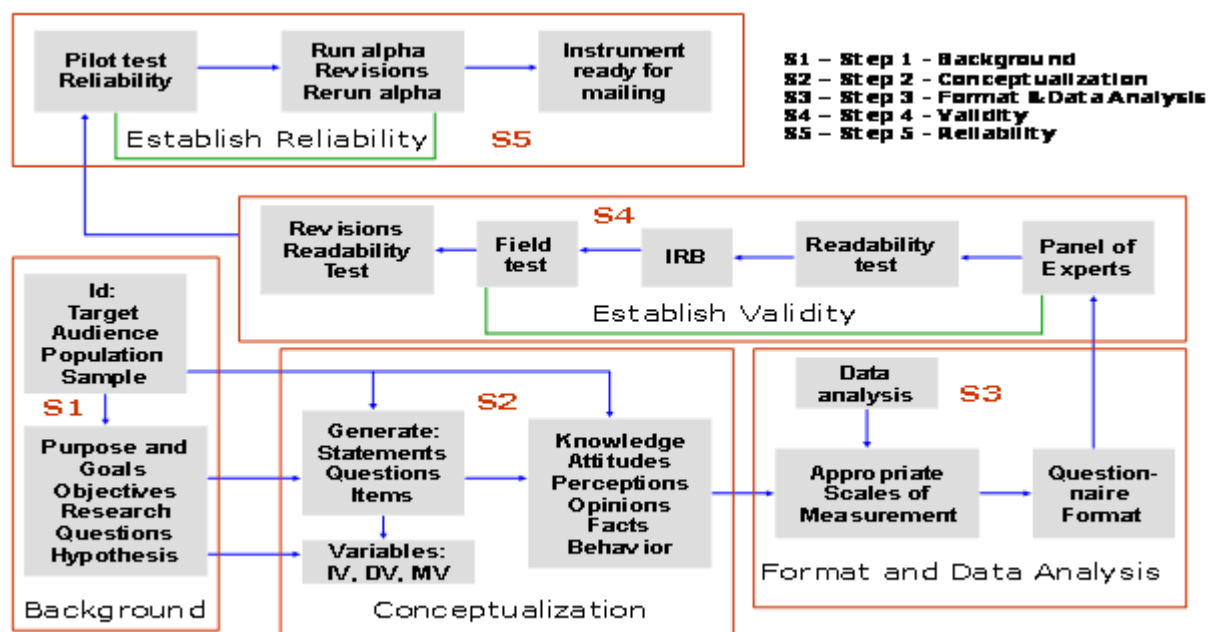


Figure 4.3: Sequence for Questionnaire/Instrument development

Source: Radhakrishna, R.B. 2007. Tips for developing and testing questionnaires/instruments. *Journal of Extension*, 45(1):1-4. www.joe.org.)

Step 1--Background

The purpose of the study, the objectives of the study and the research questions are examined at this stage (Saris & Gallhofer 2007:4). This stage also involves the determination of the respondents and their background, including their educational levels and the sampling process to be used (sample vs. population) (McDaniel & Gates 2013:246). It is important at this stage to thoroughly comprehend the problem through a literature review.

Step 2--Questionnaire conceptualisation

This step involves generating questions for the questionnaire (Saris & Gallhofer 2007:4). The content is transformed into questions and a link established between the aims of the study and their translation into content (McDaniel & Gates 2013:246; Radhakrishna 2007:2). The questionnaire is intended to measure perceptions, opinions, attitudes, knowledge, facts and behaviour. Major variables in the study are identified and defined (independent, dependent) in this step. Questions in the questionnaire are drawn up from data gathered from the literature review and the first stage of the interviews with experts in the field

Step 3--Format and data analysis

This step involves writing questions, determining appropriate scales of measurement (these are devices used to quantify a subject's response on a particular variable), font size, order of questions, questionnaire layout, format, front and back cover, and proposed data analysis (Saris & Gallhofer 2007:5). It is important to understand the relationship between the measurement level and the appropriateness of data analysis (McDaniel & Gates 2013:265; Radhakrishna 2007:2). The questionnaire in this study includes the use of seven-point Likert scale questions.

Step 4--Establishing validity

At this stage the draft questionnaire is ready for testing validity (Collins 2010:166), that is, the amount of systematic or built-in error in measurement, using a panel of experts and a field test. Important questions, such as whether the questionnaire measures what it intended to measure and whether it is appropriate for the sample under study or population, are addressed (Saris & Gallhofer 2007:6). Other important questions to be answered at this stage are whether the questionnaire is comprehensive enough to collect all the information required to address the objectives of the study, if it represents the content and, coupled with carrying out

a readability test, if it enhances questionnaire validity. The questionnaire in this study was pilot tested (see 4.8.3).

Step 5–Establishing reliability

Pilot testing of the questionnaire is done at this stage to test reliability of the instrument (McDaniel & Gates 2013:263; Radhakrishna 2007:3). Reliability refers to avoidance of random error in measurement and the accuracy of the measuring instrument. The objective of the pilot test is to address the question whether the questionnaire consistently measures whatever it measures. The use of reliability types depends on the nature of data. Reliability was measured in the study by using a pilot test involving the collecting of data from five respondents who were not included in the sample.

4.8.3 Pilot Study

A pilot study, which is also called a trial run, is undertaken in preparation for the major study. It is a study done on a limited basis and without the costs and effort of a full-fledged study that helps the researcher to get a concise and clear picture of what they intend to study and how best the study can be done (Foster 2013:1). Hulley and Stephens (2007:168) state that pilot studies are also used for pre-testing a particular research instrument and that they provide an indication of whether the proposed research methods or research instruments are appropriate or not and where the main research project could fail. Arnold, Burns, Adhikari, Kho, Meade and Cook (2009:69) also note that a pilot study is a preliminary study carried out to evaluate feasibility, time, cost, adverse events, and effect size (statistical variability) in trying to determine appropriate sample size and improve the research design prior to carrying out of a full-scale study.

In order to make sure that the participants understood what the researcher was asking and to establish whether the questions were ambiguous or not, the researcher pilot tested the questionnaire with three entities (see Table 4.4). Naude (2009:162) asserts that before the use of the questionnaire to gather data it needs to be pilot tested in order to fine-tune it so that respondents will know exactly what is expected and will have no difficulties in responding to the questions; pilot testing will also eliminate the majority of difficulties in recording the data. Naude (2009:162) also states that pilot testing enables the researcher to improve the validity and reliability of data collected. Cooper and Schindler (2006:76) and Welman,

Kruger and Mitchell (2007:148) add that initial analysis of the data collected from the pilot test data ensures that data will address the research question.

Accordingly to Simon (2011:159), the rationale behind pilot testing a research instrument (questionnaire) is, firstly, to fine tune the questions so that respondents will know what exactly is being asked and will have no challenges responding to the questions and, secondly, to facilitate recording of data. Pilot testing the questionnaire is critical to affirm that the questions are easily comprehended by the subjects and to eliminate problems with the wording or measurement. Taylor, Sinha and Ghoshal (2006:99) acknowledge that pre-testing the questionnaire will enable the researcher to achieve validity and reliability of the data to be gathered and evaluated. Jankowicz (2005:250) adds that an initial analysis of data collected from the pilot test should be undertaken to achieve the important objective of ensuring that data will answer the research question (Cooper & Schindler 2006:76). Making a mistake with a smaller number of subjects can prevent the disaster of administering a questionnaire that is invalid to several hundred individuals.

For the study a questionnaire was drawn up covering all the relevant issues noted in the semi-structured interviews at the Ministry of Health, Ministry of Transport, Petrotrade, National AIDS Council and Zimbabwe Power Company. An initial questionnaire was used to conduct a pilot study on three respondents (see Table 4.4) to test the validity and reliability of the questionnaire. Once the questionnaire had been returned and tested, it was refined before being sent out to all the ministries and parastatals.

Table 4.4 List of respondents used in the pilot testing of the questionnaire

| Name of Respondent | Position | Company |
|---------------------------|-------------------------|-----------------------------------|
| Participant 6 | Senior Consultant | Harley Reed Zimbabwe |
| Participant 7 | Senior Level Management | Chinhoyi University of Technology |
| Participant 8 | Senior Level Management | Midlands State University |

The respondents suggested the following changes, which were then made to the questionnaire:

- In Section 2, item 3 (Inadequacy of procurement thresholds) was repeated in the section on the Challenges in the Public Procurement Legal Framework. The question was therefore removed from Section 2 and retained in the section on the Public Procurement Legal Framework, where it was seen to be most appropriate as the thresholds are determined by the Procurement Regulations (S.I. 171 (2002))
- In Section 6 (Contract Stage), item 6, the respondents noted an error in the statement reading “a failure by bidders to take action when suppliers do not meet performance standards”. This statement was changed to “failure by procuring entities to take action when suppliers do not meet performance standards”.
- With regard to Section 7 item 6, it was noted that the challenge was repeated in the section on Challenges in the Public Procurement Legal Framework. It was therefore removed from the section on the Public Procurement Legal Framework.

4.9 RESEARCH POPULATION

Dattalo (2008:1) and Sekaran and Bougie (2013:246) explain a sample size as the actual number of elements in the study population that will be subjects of the study. Collins (2010:178), Groves, Flower, Couper, Lepkowski, Singer & Tourangean (2009:45) and Heppner et al (2007:355) remark that the size of a sample is a critical element in the determination of statistical precision with which population values can be approximated. It is better to use large samples because small samples do not reproduce other characteristics of the population that may be salient to an acceptable level. It is for this reason that the census method was used. The population is outlined in Table 4.5:

Table 4.5: Population

| Category | Population |
|--------------------------------|-------------------|
| Ministries | 25 |
| Entities | 52 |
| <u>Study Population</u> | <u>77</u> |

The research population determines whether the researcher uses sampling or a census. Sampling is the process used to select a certain number of elements from a target population

in order to carry out a survey (Creswell 2012:156; Creswell & Clark 2011:172; Voght et al 2012:121). The major purpose of sampling is cost reduction and limiting the amount of work required to survey the entire target population, particularly where the population is very large (Sekaran & Bougie 2013:240-243). Interviews were held with two ministries and three parastatals in the first phase of data collection and in the second phase of data collection questionnaires were sent to 25 ministries and 52 entities, the latter numbers including the entities and ministries that had been used in the first phase of interviews.

The total population is made up of 25 ministries and 52 entities, therefore the census method was deemed appropriate for this study. It involved the collection of data from every individual in the whole population (Creswell 2012:156; Creswell & Clark 2011:172; Sekaran & Bougie 2013:240-243; Voght et al 2012:121) and the major reason the researcher used a census sample is because of its ability to provide more accurate results.

A census is commonly found to be a suitable method in the following cases:

1. Where the universe is not vast (the population for this study is 77 firms)
2. Where there is enough time to collect data (the researcher has enough time and has dedicated 2-3 months for data collection)
3. Where a higher degree of accuracy is required (a high degree of accuracy is desirable in this research because of the importance of the results)
4. Where there is enough availability of finance (save for one entity all ministries and entities are headquartered in Harare which should reduce the financial requirements on data collection).

4.10 ANALYSING QUESTIONNAIRES

Data was extracted from the questionnaires, interview sheets and other sources and summarised using SPSS as well as incorporating frequency distribution tables. For easy interpretation and understanding, the collected data are presented in the form of graphs, charts, and tables. The analysis was done using statistical inferences to give meaning to the data, following which tests were conducted to confirm whether the postulated hypotheses were either accepted or rejected. A discussion of all the issues ensues, with reference to the

literature (Creswell & Clark 2011:212; Heppner et al 2007:291; McDaniel & Gates 2013:340; Thomas, Nelson & Silverman 2010:132).

The data collected through the questionnaires and the other data collection methods mentioned above were coded and summarised into frequency distribution, graphs and tabulated to enable ease of analysis (Saldana 2009). Statistical methods, such as binomial distribution, mean, median and quartile of extent, were used to illustrate research findings (Maxwell 2012:104; Sekaran & Bougie 2013:276; Thomas et al 2011:105). The qualitative data was analysed using content analysis (see 4.7.6).

Data illustrated through the quantitative methods will be elaborated through qualitative explanations. There are four basic scales that can be used for analysing questionnaires and these are nominal, ordinal, interval and ratio scales. Nominal scales are scales that show differences between items or subjects on the basis of their names or categories and the other qualitative classifications they belong to and are the simplest type of scale to use (Hair Wolfinbarger, Ortinau & Bush 2008:154). In the nominal scale the analysis is done using frequency distribution and the median is used as the measure of central tendency. The use of this type of scale is to profile respondents, say, for example, to classify the size of firms (Naude 2009:171).

Ordinal scales allow for ranking (1st, 2nd, 3rd, and so on) by which data can be sorted (Welman et al 2007:139-140). The mode and the median (*middle-ranked*) are used as the measures of central tendency and interval scales assume all characteristics of both nominal and ordinal scales. The degree of difference between items is allowed in the interval scale but not the ratio between them. The measures of central tendency used are the mode, median, and arithmetic mean, and measures of statistical dispersion, such as the range and standard deviation, are used.

In the ratio scale measurement is the estimation of the ratio between a magnitude of a continuous quantity and a unit magnitude of the same kind. Naude (2009:171) notes that ratio scales are the most powerful because only in the ratio scale is there is a fixed and absolute zero point. The measures of central tendency used are the arithmetic mean in addition to the mode and median.

Table 4.6: Statistical analysis and tests relating to the various scales

| Scale | Basic Empirical Operations | Typical use | Descriptive Statistics | Inferential Statistics |
|--------------|--|---|-------------------------------------|---|
| Nominal | Determination of equality | Classification: Male-Female Purchaser-non-purchaser Social Class | Percentages Mode | Chi-square Binomial test |
| Ordinal | Determination of greater or less | Rankings: Preference data Market position Attitude measures Many psychological measures | Median | Mann-Witney U Friedman two-way ANOVA Rank-order Correlation |
| Interval | Determination of equality of intervals | Index numbers Attitude measures Level of knowledge of brands | Mean Range Standard deviation | Product-moment Correlation T-test Factor analysis ANOVA |
| Ratio | Determination of equality of ratios | Sales Units produced Number of customers Costs | | Coefficient of variation |

Source: Adapted from Naude, M.J.A. 2009. Supply chain management problems experienced by South African automotive component manufacturers. D.Com Thesis. University of South Africa, Pretoria.

In this study a combination of the nominal, ordinal and interval scales are used in order to seek the information needed for analysis purposes.

4.11 CONCLUSION

The objective of research for the study is to investigate and analyse the challenges in the public procurement process that detract from service delivery and to suggest remedies for overcoming these problems. Potential problems were identified through both the literature review and also the semi-structured interviews with two ministries and three public entities. A questionnaire dealing with these challenges was designed and sent out to all the remaining ministries and entities.

Chapter 1 introduced the study through explaining the area of the study, definition of the research problem and questions, the aims of study, the research objectives and scope, limitations, delimitations and the contributions to be made by the research. Chapter 2 presented a comprehensive review of prior researches and literature in the area of procurement and public procurement. Past empirical studies on the area under study have been reviewed under this particular section. Chapter 3 identified the challenges and challenges in the public procurement process that detract from service delivery in the public sector. It also explained the challenges in the public procurement process experienced in other countries.

The intention of this research study is to identify the challenges in the public procurement process and explain the reasons for the problems through empirical research. The study undertaken involved semi-structured interviews with two ministries and three public entities. In this research study, explanations are sought as to why these challenges exist. Once possible challenges in the public procurement process were identified from the literature review and the first phase of the empirical study, they were tested to determine whether these really are challenges and to what extent they exist. At this stage, respondents were given a chance to comment on why they are facing such challenges and how in their opinion these could be overcome. Once the findings emerged, remedies were suggested for overcoming these challenges.

In conclusion, this chapter has presented the research methodology used in order to identify the challenges in the public procurement process that detract from achieving service delivery in the public sector in Zimbabwe. It has explained the research design, data collection, sampling, data presentation and analysis, data validity and reliability and the interpretation of results. This research has adopted the mixed methods approach. Table 4.7 provides a summary of the main research decisions relating to this study.

The next chapter (Chapter 5), presents Phase I of the study. Data is presented in tabular and graphical form from the observations obtained through the interviews.

4.11.1 Summary of main research design decisions

Research Problem

What are the challenges in the procurement process that detract from achieving service delivery in Zimbabwe?

Unit of Analysis

All ministries and public entities in Zimbabwe

Phase I of the study

Semi-Structured in-depth interviews with:

two directors/procurement officers in two ministries; and
three procurement managers/officers at three entities

Phase II of the study

Administering of a questionnaire to all ministries and parastatals.

Research methodology

Research approach: qualitative and quantitative

Qualitative research method: in-depth semi-structured interviews

Quantitative research method: questionnaire

Sources of data: multiple sources of data dealing with public procurement, such as industry and government reports, relevant procurement Acts, journal articles, academic texts, newspaper articles.

Primary data collection: interviewing followed by questionnaires (mixed method)

Data analysis: categorisation, unitising data and statistical techniques.

Research Goal

Descriptive and exploratory

Research Strategy

Contextualise in the unit of analysis only

Source: Researcher's design derived from Naude, M.J.A. 2009. Supply chain management problems experienced by South African automotive component manufacturers. D.Com Thesis. University of South Africa, Pretoria: 176

CHAPTER 5: CHALLENGES IN THE PUBLIC PROCUREMENT PROCESS THAT DETRACT FROM SERVICE DELIVERY IN ZIMBABWE: EMPIRICAL RESEARCH PHASE I

5.1 INTRODUCTION

Chapter 4 reviewed the research methodology that was used to obtain the data to answer the research question set in this study. The primary focus of this chapter is to present, analyse and interpret the first phase of empirical data. The chapter deals with the findings of interviews conducted at the Ministry of Health and Child Welfare, The Ministry of Transport and Infrastructural Development, Zimbabwe Power Company, PetroTrade Zimbabwe and the National Aids Council. The findings are in line with the research question of this research study:

What are the challenges in the public procurement process that detract from achieving service delivery in Zimbabwe?

The purpose of this chapter is to identify the procurement challenges facing public entities in Zimbabwe that detract from achieving service delivery in Zimbabwe. As noted previously in the study, the procurement challenges will be identified from the literature review and in-depth semi-structured interviews with participants at two ministries and three parastatals. These findings will form the basis of a questionnaire which will be sent to the remaining ministries and parastatals to determine the extent of the identified procurement challenges.

The chapter also explains why these two ministries and three parastatals in particular were chosen to participate in this study. It includes an analysis of the research data and an outline of the procurement challenges identified during the interview and then wraps up with a conclusion.

5.2 INTERVIEWS WITH PARTICIPANTS

As indicated in section 4.7.1 to 4.7.6, two ministries and three parastatals were selected to participate in the first phase of this study. These entities were deemed appropriate to be included in the first phase of the study as indicated in section 4.7.

5.3 ANALYSIS OF DATA

As explained in 4.7.5, an interview guide was prepared (see Appendix C) and in-depth interviews were conducted at the two ministries and three parastatals. All participants were presented with the same open-ended questions. All interviews were recorded using a Smartphone. The interviews took approximately one hour for each participant and all participants were available to answer further questions and provide clarifications when they were required. Clarifications were sought and obtained through email. This was critical particularly for clarification of some points made in the interviews that were incomprehensible or not quite clear and it ensured accuracy and reliability through making it possible to indicate exactly what the participants meant.

The interview guide consisted of five sections, namely:

- Section 1: General
- Section 2: Human resources
- Section 3: Finance and budgeting
- Section 4: The public procurement legal framework
- Section 5: The public procurement process

The findings are discussed below and each section of the questionnaire is dealt with separately.

5.4 SECTION 1: GENERAL

The objective of this section was to find out from the participants the organisational structure of the procurement department/sections in their entities and whether the function is recognised as being a tactical, operational or strategic one. The aim was also to provide insight into the level of autonomy of the function and how this level impacts on the making of procurement decisions. The issue of the level of centralisation and decentralisation of procurement authority appears on table 4.3 and decisions is dealt with in this section as well as whether the procurement systems are computerised.

5.4.1 Participants

Table 4.3 presented the participants of this study from the Ministry of Health and Child Welfare, Ministry of Transport, Petrotrade, Zimbabwe Power Company and National Aids Council.

5.4.2 Organisational Structure

Table 5.1 indicates the organisation structure in the ministries and government owned entities.

Table 5.1: Organisational structure

| Procuring entity | Organisational structure |
|--------------------------------------|---------------------------------|
| Ministry of Health and Child Welfare | Centralised |
| Ministry of Transport | Centralised |
| Zimbabwe Power Company | Centralised |
| PetroTrade Zimbabwe | Centralised |
| National Aids Council | Centralised |

The level of decentralisation at all the participating entities is limited to purchases within the competitive quotes category (between US\$0–US\$10 000) and centralised for all purchases above US\$10 000. The focus of this study is on all purchases within the FT threshold (US\$300 000) and above. It was found that such purchases for all participating entities are centralised at head office level and therefore their organisation structure is classified as centralised.

5.4.3 Level of operation

Table 5.2 indicates the functional level of operation of the procurement function within the organisation, that is, strategic, tactical or operational.

Table 5.2: Level of Operation

| Procuring entity | Functional level |
|--------------------------------------|-------------------------|
| Ministry of Health and Child Welfare | Operational |
| Ministry of Transport | Operational |
| Zimbabwe Power Company | Operational |
| PetroTrade Zimbabwe | Operational |
| National Aids Council | Operational |

It is clear from Table 5.2 that the procurement function in all the participating entities is recognised as an operational function, rather than a strategic function.

5.4.4 Level of autonomy

This section indicates the level of autonomy the procurement function enjoys in the participating entities and their respective reporting structure.

Table 5.3: Level of autonomy

| Procuring entity | Level of autonomy of procurement function | Reporting structure |
|--------------------------------------|--|---|
| Ministry of Health and Child Welfare | Reports to other functions | Director Finance and Administration |
| Ministry of Transport | Reports to other functions | Director Finance and Administration |
| Zimbabwe Power Company | Reports to other functions | Director Finance and Administration |
| PetroTrade Zimbabwe | Reports to other functions | Human Resources and Administration Manager |
| National Aids Council | Reports to other functions | Human Resources and Administration Director |

The procurement function in all participating entities, as a result of its being recognised as an operational function, reports to some other department, as indicated in Table 5.3. This significantly affects the decision making process by prolonging the process further. The major issue is that the procurement function reports to staff with a limited appreciation of the procurement process who have a bias towards finance and human resources.

5.4.5 Operational system

The aim of this section was to analyse the procurement systems that are being used at the ministries. It was found that most of the procurement work is done manually, while only the payment system is computerised. This results in serious delays in the procurement process.

5.4.6 Summary

It is clear from Tables 5.1, 5.2 and 5.3 that the participating entities under Section 1: General face similar challenges that impact on the procurement process.

5.5 SECTION 2: HUMAN RESOURCES

The objective of this section was to provide insight into the human capital handling public procurement process in participating entities in terms of their numbers, training, qualifications and experience.

5.5.1 Number of employees in the procurement department

The following table indicates the number of employees and their qualifications, experience and training in the procurement department for each ministry and government owned entity:

Table 5.4: Procurement background of employees

| Procuring entity | Number of Employees in procurement | Number of qualified employees in procurement | No of employees trained by SPB | No of employees with relevant experience |
|--------------------------------------|------------------------------------|--|--------------------------------|--|
| Ministry of Health and Child Welfare | 2 | 1 | 0 | 1 |
| Ministry of Transport | 8 | 2 | 0 | 2 |
| Zimbabwe Power Company | 5 | 2 | 10* | 2 |
| PetroTrade Zimbabwe | 2 | 2 | 0 | 2 |
| National Aids Council | 1 | 1 | 0 | 1 |

* Even though there are only five procurement staff, SPB training was also provided to five engineers.

It can be seen from Table 5.4 that employees lack the relevant professional qualifications in procurement. It was found that employees in public procurement have other qualifications, for example, accounting, business management and other certificates and diplomas in business courses. In addition, employees do not get training in public procurement from the SPB except at the Zimbabwe Power Company where five employees in the procurement department, five engineers were also trained by the SPB. For example, at the Zimbabwe Power Company, employees receive any refresher training necessary, usually when there are amendments to public procurement laws and regulations that affect the public procurement process. However, employees are not members of professional bodies like the Chartered Institute of Purchasing and the Supply and Chartered Institute of Logistics and Transport and this results in a prolonged procurement process due to ignorance or failure to fully comprehend the requirements of the law.

5.5.2 Availability of procurement manuals and code of conduct

It was found that the non-existence of up-to-date procurement procedure manuals and a code of conduct and ethics results in some inconsistencies in the procurement process, with different officers handling similar situations differently. However, it was found that some effort is being made to draft these procurement manuals.

5.6 SECTION 3: FINANCE AND BUDGETING

The aim of this section was to look at how the participating entities financed their procurement spend.

5.6.1 Budgets

Table 5.5 highlights the approximated frequencies with which budgets are prepared by the ministries and government owned enterprises and the percentage of budget absorbed by procurement as well as the utilisation rates.

Table 5.5: Periodic budgets

| Procuring entity | Budget periods | % of budget absorbed by procurement | Yearly %age utilisation rates of budgets |
|--------------------------------------|-----------------------|--|---|
| Ministry of Health and Child Welfare | None | 70 | 100 |
| Ministry of Transport | Quarterly | 70 | 100 |
| Zimbabwe Power Company | Annually | 80 | 100 |
| PetroTrade Zimbabwe | Annually | 80 | 100 |
| National Aids Council | Annually | 60 | 100 |

All three of the parastatals carried out annual budgets; the Ministry of Transport did quarterly budgets and the Ministry of Health did not prepare procurement budgets. However, all the entities noted that the major challenge to procurement was that the budgets existed on paper because their judicious application depended on the availability of funds.

Procurement absorbed between 60 and 80% of the total spend of the entities and there was 100% utilisation of all the money allocated.

5.6.2 Budgetary disbursements

Whilst there was an endeavour in the ministries to prepare periodic budgets, it was found that the practicality of the budgets depends on the national budget and the actual disbursements from treasury. Such disbursements are not made in time due to the liquidity challenges troubling the country and some procurement contracts awarded took as much as one year before the actual contract could be signed.

5.6.3 Funding of procurement activities

The participating government-owned entities indicated that budgets are prepared on an annual basis. With regard to the parastatals, The Zimbabwe Power Company finances their procurement from money generated through the sale of electricity, while PetroTrade finances their procurement through the sale of fuels and oils. The National Aids Council finances their procurement and activities from the AIDS levy as well as donor agencies, with some input from treasury. However, companies like Zimbabwe Power Company highlighted that procurement, on the basis of budgets, is often challenging because of the constant breakdowns at their power stations. This is as a result of old power generation equipment. Zimbabwe Power Company also faces financial challenges as a result of the government directive to write off all outstanding power bills from the dollarisation period from 2009 to June 2013. This meant that monies owed to the entity by power users is not going to be recovered and no compensation has been given to the entity for the loss of earnings and the shortfall from that time continues to haunt the power utility up to now as they are perennially in debt.

5.6.4 Public procurement and budgetary challenges

At the participating entities, public procurement processes have been disrupted by inadequate or late disbursement and in some instances total failure to disburse funds by treasury. This is attributed to the economic challenges faced by the country which has aggravated the situation and liquidity challenges.

5.7 SECTION 4: PUBLIC PROCUREMENT LEGAL FRAMEWORK

The aim of this section of the interview was to establish procurement personnel's knowledge and understanding of the public procurement legal framework in the participating public entities.

5.7.1 Awareness of public procurement regulations

Table 5.6 indicates procurement personnel's awareness of public procurement regulations.

Table 5.6: Awareness of Public Procurement Regulations

| Procuring entity | Aware | Partially aware | Not aware |
|--------------------------------------|-------|-----------------|-----------|
| Ministry of Health and Child Welfare | × | √ | × |
| Ministry of Transport | × | √ | × |
| Zimbabwe Power Company | √ | × | × |
| PetroTrade Zimbabwe | √ | × | × |
| National Aids Council | √ | × | × |

As shown in Table 5.6, all participants involved in the execution of the public procurement process in all the parastatals are aware of the existence of the Procurement Act (Chapter 22:14), (Act No. 2 of 1999) (Zimbabwe Government 1999) Fig 3.2: Categories and strategies identified for each category, which form the basis of the public procurement legal framework. However, it was found that the participating ministries are only partially aware of these regulations and this impact negatively on the procurement performance of the ministries.

5.7.2 Comprehension of public procurement laws

This section indicates procurement personnel's level of understanding of the public procurement laws. Knowledge of the existence of the legal framework alone is not adequate as there is a need for a complete understanding of the application and implications of the sections and sub-sections in the law.

Procurement decisions and processes at the participant ministries take as long as three months for the FTs to complete. This is attributed to the poor interpretation of the procurement regulations which is found throughout entities. The majority of staff in the procurement departments indicated that they have never taken time to read the Act and the Regulations. The Act and Regulations are only referred to “when necessary”, while those who have made an effort to read them were of the opinion that the regulations are not prepared in a comprehensible manner. This results in different interpretations for the same clauses. Different public procurement methods are assumed for similar procurement situations resulting in documents going back and forth to different offices for clarification. RFPs prepared by the ministry officials have to go back and forth to the SPB for approval due to the misinterpretation of the regulations, particularly on issues of compliance with legal requirements.

While all participants in this study acknowledged that they are aware of the existence of the Public Procurement Legal Framework as well as the clauses in the Act and the Regulations, they noted that the structuring of some of the clauses in these documents is not consistent, resulting in different interpretations of the regulations. For example, the procurement officers at Zimbabwe Power Company, PetroTrade and the NAC noted that they had taken time to read and understand the public procurement legal requirements but faced problems on the FTs which, in terms of the public procurement regulations, need to go through procurement committees for evaluation and recommendation. This is because the FT procurement committees can only make recommendations, as it is the SPB which makes the final award as required by the law.

5.7.3 Presentation of the procurement regulations’

All the participants in this study are of the opinion that the way procurement regulations are presented is not easily understandable to procurement staff and should be presented in a more “user friendly” way. The reason why participants felt this way could be as a result of the lack of training and appreciation of procurement, as most of them had neither qualifications nor training in procurement as shown in Table 5.5.

Failure to comprehend the procurement regulations, coupled with the need to comply with those regulations, results in the prolonging of the public procurement process. This is because of the need to go back and forth to the SPB for corrections and clarifications which result in

FT processes taking approximately three months to conclude. This is attributed to the legal requirement that all the activities in the public procurement process require that they be approved by the SPB right up to the award and contract signing. This is also aggravated by the fact that the entities and ministries did not have their own procurement procedure manuals.

Therefore, it can be concluded that the lack of knowledge and understanding of the legal requirements (the PPA and the Procurement Regulations) by the majority of committee members is a significant challenge in the public procurement process.

5.7.4 Public Procurement legal framework and value for money considerations

This section deals with the participants' sentiments on the attainment of value for money objectives through the public procurement process. All participating entities concurred that the public procurement process is an obstacle to the achievement of this objective. The main challenges the participants cited include the bureaucratic legal requirements and the subsequent time taken in the process as a result. For example, the Ministry of Health referred to the construction of a major referral hospital in Gokwe that took more than five years to complete as a direct result of the need to comply with procurement regulations, procedures and processes, when it was expected to be completed in a period of two to three years.

The public procurement thresholds significantly impact the public procurement process, given the fact that most of their procurement is above the maximum threshold of US\$300 000 (S.I. 160). This means that 80% of procurement carried out increases the length of the procurement process. The participants stated that a procurement process that involves the SPB can take up to three months to be concluded, which is too long taking into consideration the urgency and strategic importance of the requirements. For example, Zimbabwe Power Company procures mostly power generation equipment and spares while the National Aids Council procures antiretroviral drugs for the country. These purchases run into millions of dollars. Petrotrade Zimbabwe explained that they found it difficult to compete with the private players in the petroleum industry. These players are not bound to the public procurement procedures, regulations or the long procedural requirements which have to be adhered to. Further, it was found that using the public procurement process also results in the exposure of their business strategies to their competition and strategies and the competition counters that strategy before it becomes operational.

5.7.5 Procurement manuals

All participating entities remarked that they have no functioning procurement procedure manuals or code of conduct for procurement staff. The participants are of the opinion that this results in the public procurement process being handled in a haphazard manner. In other words, similar procurement situations may be handled differently as the procurement regulations are interpreted differently.

5.8 SECTION 5: THE PUBLIC PROCUREMENT PROCESS

The aim of this section was to establish the stages in the public procurement process. It was found all participating entities adhere to the Procurement Regulations (S.I. 171 of 2002).

5.8.1 Preparation stage

This is the planning stage of the public procurement process and the aim was to establish the activities involved and the challenges faced by participating entities during this stage.

5.8.1.1 Preparation of procurement plans

Table 5.7 shows the procurement plans that are prepared by the participating entities:

Table 5.7: Preparation of Procurement Plans

| Procuring entity | Monthly | Quarterly | Annually |
|---|---------|-----------|----------|
| Ministry of Health and Child Welfare | × | × | × |
| Ministry of Transport and Infrastructural Development | × | √ | √ |
| Zimbabwe Power Company | × | × | √ |
| PetroTrade Zimbabwe | × | × | √ |
| National Aids Council | × | × | √ |

As shown in Table 5.7, the Ministry of Transport and the three parastatals prepare procurement plans on an annual basis while at the Ministry of Health no procurement plans are prepared. Procurement plans are important for the procuring entities to determine the appropriate procurement methods and to adequately and timeously prepare for the processes.

5.8.1.2 Factors considered in preparation of procurement plans

This section deals with the major issues that are considered in the preparation of annual plans. One major issue that was highlighted is the estimated costs. The procurement plans exist on paper but it was found that the actual disbursements are less than 40% of the allocations and are received late. This means that the procurement process is disrupted at the initial planning stage and this has resulted in most purchases being carried out on an ad hoc basis. This is against the procedural and process requirements of the different procurement methods in terms of the Procurement Regulations (S.I. 171 of 2002 and S.I 160 of October 2012) and further prolongs the procurement process.

The nature of the operations at the participating parastatals makes it difficult to use the procurement plans. For example, at the Zimbabwe Power Company most ad hoc purchases are carried out due to the age of the existing power generation equipment, which is constantly breaking down. The procedural requirement to use the SPB results in delays in procurement as most requirements for the power utility are above the IT threshold. Most requirements for the power utility are urgent.

Both the National AIDS Council and PetroTrade remarked that they prepare annual procurement plans but that adhering to the procurement plans is challenging because of the legal requirements that determine the procurement methods to use. In most cases the procurement methods and the time taken for a procurement process to be completed differs, depending on the officer allocated at the SPB.

In sum, all participants at the participating entities are of the opinion that procurement planning is becoming irrelevant because the implementation of plans is influenced by the SPB, who have their own pace and methods of operation.

5.8.1.3 Procurement thresholds and their effect on the public procurement process

Table 5.8 shows the estimated average percentage of purchase done in the FT threshold and other purchase methods requiring SPB involvement by the participating entities in a one-year period.

Table 5.8: Average Percentage of Purchases

| Procuring entity | % age of formal tenders |
|---|--------------------------------|
| Ministry of Health and Child Welfare | 45 |
| Ministry of Transport and Infrastructural Development | 65 |
| Zimbabwe Power Company | 80 |
| PetroTrade Zimbabwe | 45 |
| National AIDS Council | 45 |

All participating entities indicated that the purchases they carry out are usually of high value and volume. The current thresholds are not practical and they result in a high proportion of purchases needing to go through the SPB. Other procurement methods such as SFT and direct purchases have to be authorised by the SPB, which results in their taking as long as the FT process.

5.8.1.4 Preparation of RFP documents

The aim of this section was to provide insight into the preparation of RFP documents, namely, the requirements to be included in the RFP and the departments responsible for preparation of the documents.

All five participants indicated that RFP documents are prepared by the procurement department together with the technical experts who draw up the technical specifications. The procurement department checks the compliance of the RFP against the procurement regulations and mandatory issues. The non-existence of functional SBDs at all the participating entities results in inconsistencies in the RFP documents.

5.8.1.5 Approval of RFP and advertisement

Table 5.10 indicates the time it takes to draft the RFP and approve the advertisement by the SPB.

Table 5.9: Length of Approval Process

| Procuring entity | Time taken to draft RFP and Advertisement in days | Time taken for approval of RFP and advertisement at SPB in days |
|---|--|--|
| Ministry of Health and Child Welfare | 5 | ≤14 |
| Ministry of Transport and Infrastructural Development | 14 | ≤35 |
| Zimbabwe Power Company | 1 | ≥10 |
| PetroTrade Zimbabwe | 2 | 14 |
| National AIDS Council | 2 | 7 |

All participating entities indicated that the most critical aspect of the preparation stage in the public procurement process is the crafting and eventual approval of the RFP documents by the SPB. As can be seen from Table 5.9, the major challenge in the process at this stage is the time the approval takes, which is on average 14 days. This is attributed to the lack of technical experts at the SPB who have the capacity to conclusively analyse technical specifications. For example, the Ministry of Transport stated that tender documents submitted to the SPB are processed on follow-ups. A document can move from one officer to the other, back and forth between the SPB and the entity, for corrections and counter corrections, which results in a prolonged procurement process.

5.8.2 Advertising and Publications

The aim of this section was to provide insight into the process of advertising and publishing tenders, their effect on the public procurement process and how tenders done through other procurement methods are published and administered.

5.8.2.1 Determination of closing and publication dates of tenders

The determination of closing dates for all FTs is the responsibility of the SPB. The closing periods and publication dates are determined by the procurement regulations, which state that all FTs will close in a period not less than 30 days unless prior approval has been obtained from the SPB (Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002, Section 8-10)).

5.8.2.2 Publication of tenders

In terms of the Section 8 of Procurement Regulations, all FTs are required to be published first in the official government newspaper, that is, the government gazette, before it can be

published in other newspapers of national circulation (the *Herald*, the *Sunday Mail*, the *Chronicle*, the *Daily News* and *Newsday*). The government gazette is published only on Fridays and payment must be made the previous Monday by 11:00. Failure to meet the Monday deadline for payment means that the advertisement would only be published the following week Friday. Advertising costs are met by the procuring entities (the ministries and the government owned entities). Tender closing dates are only on Tuesdays.

5.8.2.3 Time taken between approval of advertisement and RFP and closing date

Table 5.10 shows the time taken for approval of the RFP and the advert to the actual advertising and to the closing date of tenders:

Table 5.10: Approval of advertisement and RFP to closing dates

| Procuring entity | Time taken from approval of RFP to publication (days) | Time taken from approval of RFP to closing date (days) |
|---|---|--|
| Ministry of Health and Child Welfare | 7-14 | 45 |
| Ministry of Transport and Infrastructural Development | 14 | 44 |
| Zimbabwe Power Company | 7 | 45 |
| PetroTrade Zimbabwe | 14-21 | 45 |
| National AIDS Council | 7 | 45 |

The major problem at this stage is the time that is taken to approve the RFP and the advertisement at the SPB, which can be attributed to the need to go back and forth for corrections and counter corrections on the RFPs (as discussed in 5.8.1.5).

5.8.2.4 Special formal tenders, direct purchases and approved lists

The Procurement Regulations (Section 7) provide for situations that allow procurement methods such as SFTs, direct purchases and the use of the approved list (Section 25). The use of these methods is based on the fact that the particular suppliers targeted are known, hence eliminating the need to advertise in the normal way and close the tender in 30 days. The procuring entity prepares an RFP document and letters for each existing supplier, which is required by law to be approved by the SPB. These methods, however, are as slow as the FT since the invitation letters to participate in a SFT are dispatched only from the SPB. With regard to the approval process, the RFP goes through the same process as in the FT process.

The approved lists of suppliers for all the categories are compiled and updated at the SPB. The requirements for qualification to be included on this list is a US\$100 administration fee together with documents such as a tax clearance certificate, a certificate of incorporation, company profile. No supplier appraisal and supplier rating is carried out as a basis for qualification and registration on the approved list. This results in failure to deliver quality products, as most suppliers on the approved lists are commodity brokers, hence the need to restart the procurement process. The overall approval and publishing process up to the closing date takes on average one and a half to two months.

5.8.2.5 Bid evaluation

The aim of this section was provide insight into the activities in the evaluation process in the public procurement process.

5.8.2.6 Tender openings

It was found that all FTs close at the SPB and everyone is free to attend the tender openings. Not all procurement personnel at participating entities attend tender openings. Attending tender openings for the bidders and procuring entity personnel is by choice and there is no legal provision that forces anyone to attend.

5.8.2.7 Collection of tender documents and evaluation periods

Table 5.11 shows the time taken to collect tender documents by procuring entities after tender closing and the time taken to evaluate the tenders by the procuring entities and the SPB:

Table 5.11: Collection of Tender Documents and evaluation periods

| Procuring entity | Time taken to collect tender documents by entities (days) | Time taken to evaluate tenders by entities (days) | Time taken by SPB to evaluate tenders (days) |
|---|--|--|---|
| Ministry of Health and Child Welfare | 7 | 15 | -14 |
| Ministry of Transport and Infrastructural Development | 2 | 15 | 10 |
| Zimbabwe Power Company | Up to 7 | +/-15 | 10+ |
| PetroTrade Zimbabwe | 3-6 | 15 | +/-10 |
| National Aids Council | 7 | 15 | 14 |

The time taken between tender opening day and the collection of documents by procuring entities for evaluation varies from two to seven days. The procuring entities can only go and collect the documents upon being called by the SPB to do so and this period is determined by the time the SPB takes to sort and prepare these documents for dispatch, which does not have a limit. The SPB takes up to 15 days to complete an evaluation. This is because Section 15-20 of the Procurement Regulations state that the maximum evaluation period for a tender is 15 days unless an extension has been approved by the SPB. The SPB takes between 10 and 14 days to carry out their own evaluation. The entities stated that the whole process from collection of documents from the SPB, tender evaluation at entity level and evaluation at SPB take up to one and half months. The period was described as too long and by the time the whole process is completed, the bidders will have sold the available stock they had at time of tendering. Therefore, they need to remanufacture or reorder from their own suppliers.

5.8.2.8 The evaluation committee

Table 5.12 indicates the number of people in the evaluation committees at the procuring entity level as well as the award criteria used in awarding of tenders:

Table 5.12: Evaluation Committee

| Procuring Entity | No. of people in the evaluation committee | Evaluation criteria used |
|---|--|---------------------------------|
| Ministry of Health and Child Welfare | +/-5 | 100% compliance |
| Ministry of Transport and Infrastructural Development | 5 | 100 % compliance |
| Zimbabwe Power Company | 8-20 | 100% compliance |
| PetroTrade Zimbabwe | 5 | 100% compliance |
| National Aids Council | 5+ | 100% compliance |

While Section 14 of the Procurement Regulations states that the AOs of procuring entities must appoint the members of procurement committees, it does not indicate the number of people required to be on those committees and the characteristics of the people to be selected. This results in the committees comprising anything from five to 20 members who are not knowledgeable regarding procurement processes and procedures and who lack technical expertise.

All participating entities noted that the evaluation criteria used for evaluation of tenders complies 100% with requirements of the RFP. This results in the awarding of tenders to non-performing bidders who are compliant to the RFP but are “fly by night” tenderpreneurs.

5.8.2.9 Composition of procurement committees

The evaluation teams at the procuring entities are made up of the heads of department. The major challenge faced in these evaluations is the lack of basic training in public procurement on the part of the committee members. A significant number of committee members in the participating entities lack the appropriate knowledge on the public procurement legal framework, which is one of the major reasons for recommending non-compliant bidders. The evaluations are then submitted to the SPB for a second round of evaluations. The Board is given ten days to complete their own evaluation. If the evaluations concur with that of the entity, the tender will be concluded. If they do not, the SPB returns the documents for re-evaluation and there will be meetings and counter meetings between the Board and the entity for joint evaluations, until the recommendations concur. This results in further prolonging the public procurement process by as much as fifteen days. This challenge is found to be mostly prevalent in the ministries.

On average it can be deduced that the whole evaluation process from the collection of the documents by the entity from the SPB to the completion of the final evaluation at the Board takes up to 30 days.

5.8.2.10 Comparison of procuring entity evaluation and SPB evaluation

There are cases where the procuring entity’s evaluation and the SPB evaluation do not agree. The participants from PetroTrade, National AIDS Council and Ministry of Health indicated that in that situation the SPB invited them to a meeting to iron out the differences relating to compliance issues. In some cases this results in the procuring entity starting the whole re-evaluation process again, depending on the magnitude of the differences. Restarting the whole evaluation process results in further prolonging the time to the conclusion of a tender process by another 7-14 days.

5.8.2.11 Use of approved lists and tender evaluation

The SPB has the responsibility of registering suppliers in different categories, as well as of updating lists when new suppliers are registered. If the procuring entity intends to have their

own suppliers lists for the items they procure, Section 25 of the Procurement Regulations still requires that suppliers must be registered with the SPB before the procuring entity can do business with these suppliers.

Responses from all the participants revealed that the challenge with the use of the approved lists is the absence of supplier appraisal and rating. Therefore, it is assumed that the requirement to provide some documents and a \$100 registration fee means that anyone can register without the need of being exposed to a rigorous examination of their capacity and capability. Currently, on evaluation suppliers are found to be compliant but in reality they fail to perform or deliver, and as a result procuring entities are currently saddled with unfinished projects and orders.

5.8.3 Tender Award

The aim of this section was to establish the procedures followed at the award stage in the public procurement process.

5.8.3.1 Award communication

Table 5.13 shows the time taken to communicate the results of the tender to the bidders and the procuring entities as well as the time taken before they are invited to sign a contract by the SPB and procuring entities respectively.

Table 5.13: Notification of award and invitation to contract signing

| Procuring Entity | Notification of the results by SPB (days) | Notification and invitation to sign a contract (days) |
|---|--|--|
| Ministry of Health and Child Welfare | 14 | 4 |
| Ministry of Transport and Infrastructural Development | 7 | 7 |
| Zimbabwe Power Company | 5 | 7 |
| PetroTrade Zimbabwe | 5-7 | 21 |
| National Aids Council | 7 | 7 |

The notification of tender results by the SPB to the procuring entity to the winning bidders and the losing bidders takes between 5 and fourteen days. The SPB holds its board meetings on Thursdays to deliberate on tenders and procuring entities and the bidders only start receiving their notification letters from the following Tuesday onwards. This process can take

as long as fourteen days, if the writing of the notification letters has to wait for confirmation of minutes of the previous meeting. As a result it was found from the participants that this further prolongs the tender process and impedes service delivery.

An invitation to sign a contract was found to be completed within four-21 days and this is attributed to financial challenges experienced by the entities as resources budgeted for the process could have been used for other purposes during the tender process in the assumption that by the time the procurement process was finished more resources would be available, either through treasury or from operations.

5.8.3.2 Appeal procedure

The participants of the participating entities were not aware of the time that losing bidders are given to request for debriefs in the event that they feel aggrieved by the tender award decision. They were also not aware of the time period in which bidders are allowed to appeal to the administrative court in the event that they are not satisfied with the debrief despite the fact that this is stated in the procurement regulations. Section 43 of the Procurement Act (2002) provides losing bidders 20 days to lodge an appeal in the administration court if they feel aggrieved by the tender decision.

Lodging such an appeal results in the stalling of contract signing and implementation. It was found that the legal process takes as long as three to six months to conclude, after which fundamentals like the price validity will have changed. This results in the procurement process starting all over again.

5.8.4 The contract

The aim of this section was to examine the activities that take place in the contract stage of the public procurement process.

5.8.4.1 Invitation to contract signing

The winning bidders are invited to the contract signing process as soon as they receive notification letters from the SPB, despite of the twenty-day appeal period in terms of Section 43 of the Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002).

5.8.4.2 Pre-contract negotiations

Pre-contract negotiations are held with regard to the contractual terms but no pre-appraisals are carried out on the winning bidders before signing the contract unless it is categorically stated in the RFP that such supplier visits will be carried out.

5.8.4.3 Contract performance monitoring and the role of the SPB

The procuring entities have their own initiatives to monitor contracts though the penalty clauses in the contract document. The SPB plays no role in the monitoring or performance of contracts. The participants stated that when it comes to the issues of dealing with non-performing suppliers, they expect the SPB to play an active role as they are the custodians of the supplier lists, as well as being responsible for the registration process. They stated that, when it comes to dealing with delinquent suppliers, the SPB felt that these were contractual matters and should be dealt with between the entity and the bidder.

5.8.4.4 Procurement audits

All the participants of the participating entities stated that the SPB does not carry out procurement audits at the procuring entities, even though they “felt” the SPB is supposed to do that as required by Section 6(3) of the Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002).

5.8.4.5 General

The aim of this section was to obtain general closing remarks from the participants through summing up whether the public procurement process in their opinion aids the achievement of value for money in public procurement and whether it adds or detracts from achieving service delivery in Zimbabwe.

The general observations from all the participants were that the public procurement process does not add value for money through the model of evaluation that is aligned towards compliance. Furthermore, in their opinion it detracts from service delivery, mainly due to the time required to conclude the public procurement process. This is as a result of procedural requirements demanded by the public procurement legal framework.

5.9 SUMMARY OF IDENTIFIED CHALLENGES

As the main focus of this study is providing insight into the challenges in the public procurement process that detract from service delivery in the public sector it was essential to determine some background information to the challenges faced that in the delivery of public service as a result of the public procurement process. Interaction with participants provided general insight as to the major challenges that detract service delivery attributable to the public procurement process. Some relevant comments are given in statements 1 and 2 below:

“Procuring through the public procurement process in terms of cost, its not cost effective and because of the bureaucracy and red tape and procedures it takes long for organisations to get the kind of goods and services we want”. [Statement 1]

“The situation that the SPB approves everything and reviews everything I think its affecting service delivery in the country because you would say this and the SPB is still to make a decision you know I don’t think it’s good for the country”. [Statement 2]

Evidence from these statements point out to the fact that there are challenges being experienced in the public procurement process and it is the aim of this study to provide insight into these challenges to further explore them to establish the extent and suggest solutions to aid achievement of service delivery.

The following table (Table 5.14) sums up the identified procurement challenges from the first phase of the empirical study.

Table 5.14: Procurement Challenges

| Section | Challenges identified |
|--|--|
| Section1: General | Procurement departments decision making level. Lack of procurement department autonomy. Poor structure of procurement departments. Manual procurement operational systems. |
| Section 2: Human Resources | Inadequate manpower levels in procurement departments. Unqualified and inexperienced staff. Lack of staff training. Lack of code of conduct. |
| Section 3: Finance and Budgeting | Inadequate budget allocations and levels of disbursements. Late disbursement of funds from treasury. |
| Section 4: Public procurement legal framework | Poor awareness of public procurement legislation. Insufficient knowledge and understanding of public procurement legislation by staff. Non-existence of procurement manuals. Non-compliance with procurement regulations. Lack of code of conduct in the public procurement legal framework. Inadequate public procurement thresholds against procurement requirements. Times dictated by the law for different stages of the public procurement process. Legal requirements of support local industries. |
| Section 5: The Public Procurement process: The Preparation Stage | Poor procurement planning. Poor selection of appropriate procurement methods. Inadequate knowledge on how to prepare RFP documents. Length of time taken in preparation of RFPs at entity levels. Length of time taken to approve RFP documents at SPB. Lack of standard bidding documents. Inappropriateness of other public procurement methods (approved lists, SFT, direct purchases). |
| Section 5: The Public Procurement Process: Advertising and Publication | Time required determining closing and publication dates. Time taken between approval of RFP and actual publications and closing date. |
| Section 5: The Public Procurement Process: Bid Evaluation Stage | Time taken for bids to be collected for evaluation by entities. Time taken in the evaluation of tenders by the procuring entity. Selection criteria of procurement committee members. Procurement committee members' lack of basic training in procurement and public procurement. Inconsistent RFP requirements (lack of standard bidding documents). Time taken in evaluating tenders by the SPB. |

| | |
|---|---|
| | 100% compliance criteria in tender evaluation. Lack of supplier appraisal and incapacitated suppliers registered on the SPB approved lists. Non-concurrence of entity and SPB evaluation. |
| Section 5: The Public Procurement Process: The Award Stage | Time taken between award and communication of award to the entity. Appeal period for aggrieved and losing bidders. Time taken between award and contract signing. Time required for the appeal/court processes to be concluded. |
| Section 5: The Public Procurement Process: The Contract Stage | Long contract negotiation periods. Incoherent and poor contract monitoring mechanisms. Zero participation in contract monitoring and enforcement by the SPB. Inability to enforce Section 25 of the regulations by the SPB on non-performing suppliers. Lack of procurement audits on public entities by the SPB. |

5.10 CONCLUSION

The objective of the qualitative empirical research discussed in this chapter was to establish the challenges in the public procurement process that detracts from achieving service delivery in Zimbabwe. The chapter commenced with an introduction which highlighted the reasons why the two ministries and the three government-owned entities were selected to participate in the research study.

Procurement managers and procurement officers at the participating ministries and parastatals were interviewed and numerous challenges were identified. The problems and challenges are summarised in Table 5.16 and these formed the basis of a questionnaire sent out to the 25 ministries and 52 government owned entities. The aim of the questionnaire is to measure the extent of the problems identified.

This concludes the first stage of the empirical research. The next chapter deals with the second stage of the empirical research, namely, the challenges in the public procurement process that detract from service delivery. The next chapter presents the results of the second phase of study.

CHAPTER 6: PHASE II OF THE STUDY: DISCUSSION AND ANALYSIS OF THE DATA

6.1 INTRODUCTION

Of the previous chapters, Chapters 2 and 3 provided the literature review. At this point the first objective of this study: *to provide insight into the public procurement process in Zimbabwe* was achieved. The empirical research for this study was carried out in two phases. Chapter 5 dealt with the first phase of the research study, where challenges in the public procurement process that detract from service delivery were identified through in-depth semi-structured interviews with participants from two ministries and three parastatals, thus, achieving the second objective of this study: *to identify challenges in the procurement process that negatively impact service delivery in Zimbabwe*.

The aim of the second phase of the study was to achieve objective three, namely, *to determine the extent of the challenges experienced* and objective four, namely, *to explain the reasons for these challenges*. A questionnaire was compiled encompassing the identified challenges that detract from service delivery that were identified in the first phase of the study. The aim of the questionnaire was to determine whether respondents agreed that the identified challenges are challenges; the extent of the challenges and whether they detract from service delivery. The process and methodology followed by the design of the questionnaire and the collection the data were dealt with in detail in 4.8.

This chapter deals with the second phase of the study and presents the results of the analysis of the data obtained from the questionnaires. The quantitative data gathered through the questionnaires was coded and summarised into frequency distribution and graphs and tabulated for ease of analysis, using SPSS. As indicated in 4.10, descriptive statistics were used to explore the data collected and to summarise and describe these data. Data for mean, median, quartiles, number of valid cases are provided and Wilcoxon signed ranks tests were applied to test whether the median score is significantly different from a central score of 4.

The questionnaire consisted of seven sections and all included a comments section for respondents to add any additional comments which they felt were important to elaborate on. The qualitative data was analysed using content analysis, which is explained in 4.7.6.

The next section deals with the response rate.

6.2 RESPONSE RATE

The response rate is the ratio between the number of respondents who completed the questionnaire and the total number of questionnaires sent out. A high response rate ensures that survey results are representative of the population and is calculated using the following formula (Survey Monkey 2009):

$$\frac{\text{number of completed surveys}}{\text{number of people contacted}} = \text{response rate}$$

In order to produce accurate, useful results, a questionnaire must have a good response rate. Questionnaires with a low response rate decrease representativeness within the range examined (Holbrook, Krosnick, & Pfent 2007).

The population of the study was made up of 25 ministries and 52 parastatals. The questionnaire was sent to all 77 entities, including the entities used in the pilot test. Each respondent was contacted telephonically prior to sending out the questionnaire, which was then delivered directly to the respondents—all have headquarters in Harare CBD. The questionnaire included a cover sheet and a cover letter. Follow-up telephone calls were made to expedite the completion by the respondents in an effort to increase the response rate. Face-to-face questionnaire administration was used because, according to Nulty (2008:303), it results in a higher response rate compared to other methods of questionnaire administration.

A total of 64 entities responded. Thirteen entities failed return the completed questionnaire after follow up calls and were therefore viewed as non-response firms. Therefore, a response rate of 83.1% was achieved in terms of the formula provided by Survey Monkey (2009). The response rate of 83.1% in this study is deemed as acceptable.

6.3 DATA PROCESSING

The completed questionnaires were coded and the responses captured in Excel and then exported into SPSS 21 (a statistical software programme) by a statistician. This software programme was used to analyse the data. The results of the data are provided below.

The questionnaire consists of seven sections. Section 1 dealt with the profile of the respondents and Sections 2 to 7 of the questionnaire were compiled to measure the extent to which the entities are experiencing challenges in the various stages of the public procurement process. These sections of the questionnaire used seven-point Likert scale items (ordinal scale) varying from 1 (to a lesser extent) to 7 (to a greater extent).

The questionnaire included a qualitative section. If the various challenges listed in this section of the questionnaire were not experienced by the entities, the respondents had the option of selecting the “not a challenge” column.

6.4 RESEARCH RESULTS

The aim of this section is to present the results of the empirical research conducted to achieve those objectives of the study as set out in 1.9 which were not achieved during the secondary data research, namely, the literature review. The results are presented in the same format as in the questionnaire.

A profile of responding public entities is provided in 6.4.1.

6.4.1 Profile of the responding public entities (Ministries and Parastatals)

The results pertaining to the general information on the public entities as obtained from Section 1 of the questionnaire are as follows:

6.4.1.1 Position of respondents

Table 6.1 provides details of the employment positions of the respondents in the public entities that participated in this study. Most of the respondents are procurement managers (54.7%) and administration officers (35.9%). Respondents who are directors made up 9.4%.

Table 6.1: Employment position of respondents

| Position | N = 64 | %age | Cumulative %age |
|------------------------|---------------|-------------|----------------------------|
| Procurement manager | 35 | 54.7 | 54.7 |
| Administration officer | 23 | 35.9 | 90.6 |
| Director | 6 | 9.4 | 100 |

6.4.1.2 Age of respondents

The ages of the respondents are highlighted in Table 6.2. The majority of the respondents are in the 20-30 year category (76.6%) with the rest of the respondents in the 31-40 year category (23.4%).

Table 6.2: Age of respondents

| Age group | N = 64 | %age | Cumulative %age |
|------------------|---------------|-------------|----------------------------|
| 20 - 30 years | 49 | 76.6 | 76.6 |
| 31 - 40 years | 15 | 23.4 | 100 |

6.4.1.3 Gender of respondents

The gender of the respondents is highlighted in Table 6.3 and combined with their age in Figure 6.1. The majority of the respondents are males (71.9%). It can therefore be concluded that the majority of respondents performing public procurement duties are males.

Table 6.3: Gender of respondents

| Gender | N = 64 | %age | Cumulative %age |
|---------------|---------------|-------------|----------------------------|
| Male | 46 | 71.9 | 71.9 |
| Female | 18 | 28.1 | 100 |

It is clear from Figure 6.1 that the majority of respondents are males between the ages of 20-30 years.

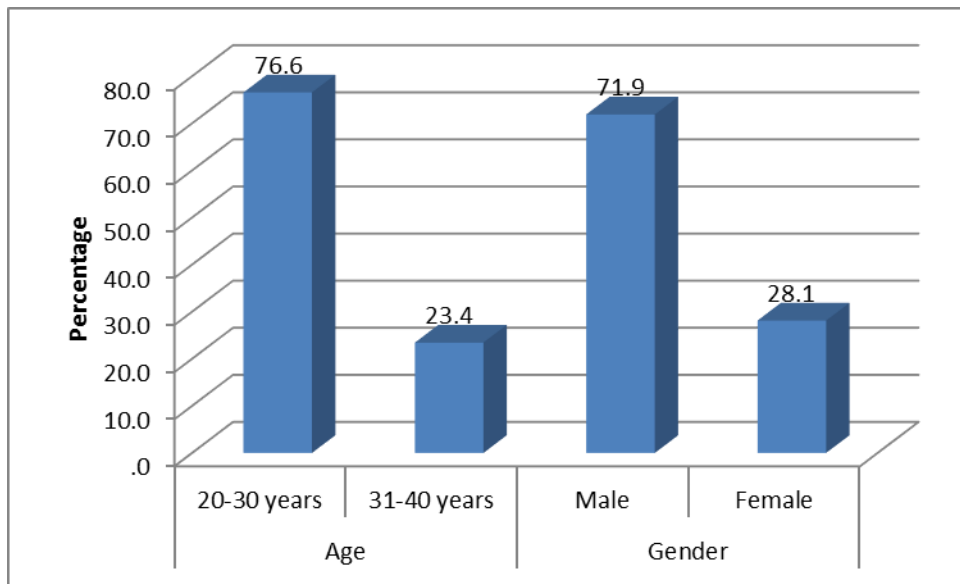


Figure 6.1: Age and gender of respondents

6.4.1.4 Procurement organisation structure, decision making level and autonomy.

Figure 6.2 shows the type of organisation structure, the decision making level and autonomy of the procurement department.

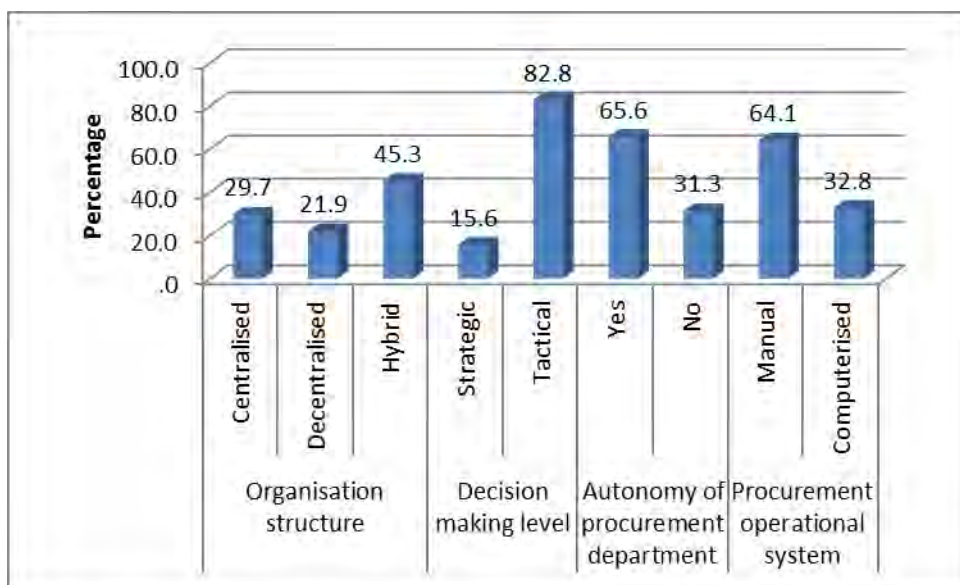


Figure 6.2: Organisation structure, decision making level and procurement operation system

It is clear from Figure 6.2 that the procurement departments of the majority of entities operate in a hybrid organisation (45.3%). In a hybrid system small purchases (up to US\$10 000) are delegated to branches or outlying offices with all purchases from US\$10 001 and above centralised at head office level. The remaining 29.7% of the procurement departments operate in a centralised structure and 21.9% in a decentralised structure. Given that this study was limited to purchases within the FT category, it can be concluded that the majority of the purchases are centralised at head office since the decentralisation is limited mostly to purchases below US\$10 000 and any purchase beyond that are carried out at head office level.

Figure 6.2 also reveals that procurement in the majority of the entities is viewed as a non-strategic department as 82.8% of the respondents indicated that procurement in their entity is viewed as a tactical operation reporting to departments such as Finance, Administration and Human Resources. It can be concluded therefore that, despite the importance of the procurement function, procurement operates as a tactical function whilst performing strategic duties.

The majority of procurement departments in the entities operate on manual platforms (64.1%). It can be concluded that with the high value of purchases and the high frequency of purchasing transactions the departments are handling, the manual systems are viewed as bottlenecks in the efficient discharge of the procurement function.

This concludes Section 1 of the questionnaire pertaining to the general information on entities in Zimbabwe. The next section deals with the first stage of the procurement process which is the preparation stage.

6.5 THE EXTENT OF CHALLENGES IN THE PUBLIC PROCUREMENT PROCESS EXPERIENCED IN THE PREPARATION STAGE

Section 2 of the questionnaire was compiled to measure the extent to which the entities are experiencing challenges in the preparation stage of the public procurement process.

6.5.1 Challenges in the preparation stage

This section presents the frequencies of yes/no as to whether the challenges in this section are a challenge in the Zimbabwean public procurement process.

6.5.1.1 Lack of formal procurement plans

It is clear from Table 6.4 that the majority of the respondents (82.8%) stated that the lack of formal procurement plans is a challenge whereas 17.2% indicated that this is not a challenge. Therefore, it can be concluded that as the majority of entities are not preparing formal procurement plans, the haphazard nature in which procurement is being carried out affects service delivery negatively.

Table 6.4: Lack of formal procurement plans

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 11 | 17.2 | 17.2 |
| Is a challenge | 53 | 82.8 | 100 |

6.5.1.2 Inappropriate procurement methods

The majority of respondents (67.2%) indicated that inappropriate procurement methods present a challenge (see Table 6.5). However, 32.8% of the respondents stated that this is not a challenge. This means that the lack of formal procurement planning results in the entities employing inappropriate procurement methods for different procurement situations, which results in higher procurement costs and delays in the provision of services.

Table 6.5: Inappropriate procurement methods

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 21 | 32.8 | 32.8 |
| Is a challenge | 43 | 67.2 | 100 |

6.5.1.3 Lack of standard bidding documents

The lack of standard bidding documents is a challenge in all entities as shown in Table 6.6. All respondents (100%) stated that the lack of standard bidding documents is a challenge.

Table 6.6: Lack of standard bidding documents

| | N = 64 | %age | Cumulative %age |
|----------------|---------------|-------------|----------------------------|
| Is a challenge | 64 | 100 | 100 |

One can therefore conclude that the lack of standard bidding documents for similar requirements results in inconsistencies in the way public procurement is being carried out by the various entities.

6.5.1.4 Lack of expertise in the preparation of RFPs

The majority of the respondents (85.9%) indicated that the lack of expertise in the preparation of RFP documents is a challenge (see Table 6.7). The remaining respondents (14.1%) indicated that lack of expertise is not a challenge.

Table 6.7: Lack of expertise in the preparation of the RFP

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 9 | 14.1 | 14.1 |
| Is a challenge | 55 | 85.9 | 100 |

It can be concluded that the lack of expertise in the preparation of RFPs, coupled with the lack of standard bidding documents, is a challenge in the preparation stage. This can be attributed to inconsistencies in tender documents and procurement processes for similar procurement situations.

6.5.1.5 Time taken to prepare draft RFPs and advertisements for submission to SPB

As shown in Table 6.8, the majority of the respondents (84.4%) indicated that the excessive time taken to prepare draft RFPs and advertisements for submission to SPB is a challenge. The remaining 15.6% of the respondents noted that this was not a challenge.

Table 6.8: Excessive time take to prepare draft RFP and advertisement and submit to SPB

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 10 | 15.6 | 15.6 |
| Is a challenge | 54 | 84.4 | 100 |

It can be concluded that the lack of standard bidding documents coupled with the lack of expertise to prepare tender documents results in excessive time being taken to prepare tender documents and advertisements.

6.5.1.6 Delays in approving of RFPs at SPB

Of the respondents, 87.5% indicated that the delays experienced in the approval of the RFP at the SPB presents a challenge in the preparation stage whereas the remaining 12.5% did not think that this was a challenge (see Table 6.9).

Therefore, it can be concluded that the delays in approving tender documents at SPB can be attributed to a lack of standard bidding documents which results in different officers at the SPB drawing up varying documents for similar purchases due to their interpretation. This is supported by the results of the first phase of empirical research which found that the same document passed through various offices before it could be finalised.

Table 6.9: Delays in approving RFP at SPB

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 8 | 12.5 | 12.5 |
| Is a challenge | 56 | 87.5 | 100 |

6.5.1.7 Lack of technical expertise at SPB to approve RFPs

As shown in Table 6.10 the majority of respondents (82.8%) indicated that lack of technical expertise at SPB is a challenge while 17.2% indicated that it is not. In line with the results of the first phase of the empirical research, the findings show that the SPB lacks capacity and expertise to approve technical issues but are more knowledgeable on legal and compliance matters.

Table 6.10: Lack of technical expertise to approve RFP at SPB

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 11 | 17.2 | 17.2 |
| Is a challenge | 53 | 82.8 | 100 |

6.5.1.8 Lack of training regarding preparation of RFPs by SPB

Of the respondents, 89.1% indicated that lack of training on the preparation of RFPs by the SPB is a challenge, while 10.9% stated that it is not a challenge (see Table 6.11).

Table 6.11: Lack of training on preparation of RFPs by SPB

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 8 | 10.9 | 10.9 |
| Is a challenge | 56 | 89.1 | 100 |

It can be concluded that the excessive time taken by the entities to prepare draft RFPs and advertisements can be attributed to their lack of training by the SPB as well as the lack of standard bidding documents being available.

6.5.2 Testing of challenges in the preparation stage

The test was done at 5% level of significance. The test value of 0.05 is used to test the proportion of respondents who said it is a challenge against those who said it is not. The following hypothesis is used:

Null hypothesis (H_0): the proportion selecting each response option is not different from 0.5.

Alternative hypothesis (H_1): the proportion selecting each response option is different from 0.5.

The null hypothesis is rejected if $p < 0.05$; otherwise the null hypothesis is accepted and it is concluded that the response options are selected equally. A p-value less than 0.05 shows that a significant proportion of the respondents indicated that it either is or is not a challenge.

Table 6.12 shows that, according to the responses, all the items except poor selection of appropriate procurement method are challenges since the p-value is less than 0.05 (i.e. $p < 0.05$). A summary of the results from the test are presented in Table 6.12.

Table 6.12: Challenges: Preparation Stage

| | Challenges during the preparation stage | p-value | Decision |
|---|---|----------------|-----------------|
| 1 | Lack of procurement plans | <.0005 | Is a challenge |
| 2 | Poor selection of appropriate procurement method | .008 | Is a challenge |
| 3 | Inadequacy of procurement thresholds for the operations | <.0005 | Is a challenge |
| 4 | Lack of standard bidding documents | <.0005 | Is a challenge |
| 5 | Lack of expertise in the preparation of the RFP | <.0005 | Is a challenge |
| 6 | Length of time taken to prepare a draft RFP and advertisement and submit to SPB | <.0005 | Is a challenge |
| 7 | Length of time taken to approve RFP at SPB | <.0005. | Is a challenge |
| 8 | Lack of technical expertise to approve RFPs at SPB | <.0005 | Is a challenge |
| 9 | Lack of training on preparation of RFPs by SPB | <.0005 | Is a challenge |

6.5.3 Extent of Challenges

Mean, median and quartiles of the extent were calculated to show the distribution of the responses of those who indicated that the challenges outlined in this section are challenges detracting service delivery.

The median shows the middle of the data and on a scale of 1-7 in the questionnaire the median is 3.5. Therefore challenges with a mean below 4 are challenges to a lesser extent and those with a mean of 4 are challenges to a greater extent. As indicated in Table 6.13, the lack of standard bidding documents has a median of 3 and three challenges lie on 4 (lack of procurement plans, lack of expertise in the preparation of the RFP, lack of technical expertise to approve RFPs at SPB) with the remainder of the challenges with median between 5 and 6. All challenges with median values above four (poor selection of appropriate procurement method (5), inadequacy of procurement thresholds for your operations (5), length of time taken to prepare a draft RFP and advertisement and submit to SPB (5), length of time taken to approve RFP at SPB (5) and lack of training on preparation of RFPs by SPB (6) are challenges to a great extent

The quartiles column in Table 6.13 shows how the data is divided into different quarters. The 25% quartile shows the middle value between lowest value and median and 75% shows the middle value between median and upper value. It is clear from Table 6.13 that the responses

lie between 2 and 6, with 2 being the lower quartile and 6 upper quartile. The distribution of the challenges shows that a significant proportion of the challenges as indicated in Table 6.13 are in the upper quartile range (75%), which means that these are significant challenges.

The number of valid cases and the percentage of valid cases are also included in the table. These values explain the responses and response rate per each question and, as indicated in Table 6.13, all of them lie between 67% and 100%, indicating a high response rate for all the challenges.

Table 6.13 shows that a lack of training on for preparation of RFPs by SPB proved to be a significant problem (with a mean of 4.75). The extent of the problem was measured from 1 to 7 where 1 indicates that the extent of the problem is minimal and 7 indicate that the extent of the problem is greatest. The qualitative findings (in the comments part of the questionnaire) indicate that respondents are expected to prepare these documents, but they are not trained to do so and they are unsure how they should be prepared. This results in delays due to the numerous errors committed and the subsequent need to go back and forth to the SPB for corrections.

Even though the lack of standard bidding documents has the lowest mean of 3.38, the qualitative comments indicate that respondents felt that the SPB should design standard bidding documents to reduce the challenges experienced of inconsistencies in tender documents. Standard bidding documents improve efficiency in the public procurement process as discussed in 3.7.2.1. Recommendations in a study conducted in Sierra Leone noted that, in order to improve efficiency in the public procurement process, standard bidding documents should be developed (GoSL 2011:2).

Poor selection of appropriate procurement method had a mean of 4.44, and results from the interviews show that the respondents attributed this challenge to lack of proper training in public procurement procedures from the SPB together with the lack of appropriate qualifications. This is corroborated by the Public Procurement Authority Annual Report, (Ghana Public Procurement Authority, 2008) where it is stated that insufficient training of personnel resulted in a different understanding of public procurement procedures across the civil service and parastatals in Sierra Leone. Results from the interviews also reveal that inadequate procurement thresholds (4.48) resulted in the need to continuously involve the SPB, as the entities stated that a significant portion of their procurement is above the US\$300 000 threshold. Therefore, there is need to eliminate or increase the thresholds to hasten the

public procurement process because elimination of the thresholds or increasing the thresholds significantly results in entities no longer requiring to approach the SPB for approval of all the stages. This means that all procurement processes will be supervised and executed at the entity level. Balaba (2012) remarks that the public procurement process in Ghana needs to be streamlined through the removal of non-value adding activities and the increasing of tender thresholds to decentralise procurement authority.

Lack of expertise in the preparation of RFP (4.07) and of the amount of time taken to prepare a draft RFP and advertisement and submit these to SPB (4.48) are as a result of lack of proper training and education with regard to how the documents should be prepared. This challenge, lack of training on preparation of RFPs by SPB, has a mean of 4.75. As noted by the respondents on the qualitative comments in the questionnaire, the SPB needs to provide training. RFP preparation will need the support of the SPB to provide such training (OECD/DAC 2007).

Table 6.13: List and rankings of preparation stage challenges (N=64)

| | Challenges | Mean | Median | Quartiles | | No. of valid cases | % of valid cases |
|---|---|------|--------|-----------|------|--------------------|------------------|
| | | | | 25 | 75 | | |
| 1 | Lack of procurement plans | 3.70 | 4.00 | 2.00 | 5 | 53 | 83 |
| 2 | Poor selection of appropriate procurement method | 4.44 | 5.00 | 3.00 | 6.00 | 43 | 67 |
| 3 | Inadequacy of procurement thresholds for your operations | 4.48 | 5.00 | 3.00 | 6.00 | 48 | 75 |
| 4 | Lack of standard bidding documents | 3.38 | 3.00 | 2.00 | 5.00 | 64 | 100 |
| 5 | Lack of expertise in the preparation of the RFP | 4.07 | 4.00 | 2.00 | 6.00 | 55 | 86 |
| 6 | Length of time taken to prepare a draft RFP and advertisement and submit to SPB | 4.48 | 5.00 | 3.00 | 6.00 | 54 | 84 |
| 7 | Length of time taken to approve RFP at SPB | 4.60 | 5.00 | 4.00 | 6.00 | 57 | 89 |
| 8 | Lack of technical expertise to approve RFPs at SPB | 3.98 | 4.00 | 2.00 | 6.00 | 51 | 80 |
| 9 | Lack of training on preparation of RFPs by SPB | 4.75 | 6.00 | 3.00 | 6.00 | 56 | 88 |

The extent of challenges is tested using the Wilcoxon signed rank test. The Wilcoxon signed rank test is a non-parametric test that can be used in place of a single sample t-test to test whether an average score is significantly different from a scalar. In this study, challenge mean values are tested on whether the average value is significantly different from a value of 4 (the central score). A p-value of <0.05 shows that it is significantly different from 4.

Table 6.14 shows that the lack of formal procurement plans and the lack of standard bidding documents are challenges to a lesser extent ($p = .004$ and $p = 0.178$ mean <4, respectively), while the delay in approving RFP at SPB ($p = .006$, mean >4) and the lack of training for preparation of RFPs by SPB ($p = .008$, mean >4) are challenges to a greater extent. For the remaining challenges, $p > 0.05$, which shows that the extent of these challenges is not significantly different from a central rating of 4.

Table 6.14: Preparation stage: Wilcoxon signed rank tests

| | | Mean | p-value | Decision: extent of challenge |
|---|---|------|---------|-------------------------------------|
| 1 | Lack of procurement plans | 3.70 | 0.178 | Lesser extent |
| 2 | Poor selection of appropriate procurement method | 4.44 | 0.095 | Greater extent |
| 3 | Inadequacy of procurement thresholds for your operations | 4.48 | 0.169 | Greater extent |
| 4 | Lack of standard bidding documents | 3.38 | .004 | Lesser extent |
| 5 | Lack of expertise in the preparation of the RFP | 4.07 | 0.770 | Greater extent |
| 6 | Length of time taken to prepare a draft RFP and advertisement and submit to SPB | 4.48 | 0.054 | Greater extent |
| 7 | Length of time taken to approve RFP at SPB | 4.60 | 0.006 | Greater extent |
| 8 | Lack of technical expertise to approve RFPs at SPB | 3.98 | 0.903 | Greater extent |
| 9 | Lack of training on preparation of RFPs by SPB | 4.75 | 0.008 | Greater extent |

6.5.4 Detract from Service Delivery

The responses to the questions on whether the challenges detract from service delivery were also analysed with a binomial test to determine whether a significant proportion of respondents agree that the identified items present problems that detract from service delivery. The binomial test is an exact test of the statistical significance of deviations from a theoretically expected distribution of observations into two categories. The test is done at the 5% level of significance.

As shown in Table 6.15, Even though a significant percentage of respondents agreed that the listed items present problems during the preparation stage, the binomial test in table 6.15 reveals that not all these problems detract from service delivery. The following problems during the preparation stage detract from service delivery: poor selection of appropriate procurement method ($p=.010$); length of time taken to prepare a draft request for proposal (RFP) and advert and submit to SPB ($p=.040$); and length of time taken to approve RFP at SPB ($p, <0.05$). Lack of standard bidding documents ($p=0.017$) is a problem that does **not** detract from service delivery.

Table 6.15: Detract from service delivery: preparation stage

| | | Respondents (N=64) | | | |
|---|---|-----------------------|------------------------------|------|------------------------|
| | Challenges | No. of Valid cases* | Detracts from service (%age) | | Asymp. Sig. (2-tailed) |
| | | | Yes | NO | |
| 1 | Lack of procurement plans | 53 | 62.3 | 37.7 | 0.98 ^a |
| 2 | Poor selection of appropriate procurement method | 43 | 70.5 | 29.5 | 0.10 ^a |
| 3 | Inadequacy of procurement thresholds for operations | 48 | 52.1 | 47.9 | .885 ^a |
| 4 | Lack of standard bidding documents | 64 | 34.4 | 65.6 | .017 ^a |
| 5 | Lack of expertise in the preparation of the RFP | 55 | 49.1 | 50.9 | 1.000 ^a |
| 6 | Length of time taken to prepare a draft RFP and advertisement and submit to SPB | 54 | 64.8 | 35.2 | .040 ^a |
| 7 | Length of time taken to approve RFP at SPB | 57 | 78.9 | 21.1 | .000 ^a |
| 8 | Lack of technical expertise to approve RFPs at SPB | 51 | 54 | 46 | .672 ^a |
| 9 | Lack of training on preparation of RFPs by SPB | 56 | 57.4 | 42.6 | .341 ^a |

***Number of valid cases who indicated this to be a problem**

^a Based on Z Approximation

6.5.5 Analysis of Qualitative Comments

Of the respondents who completed the qualitative section, 35 (55%) indicated that the involvement of the SPB at this stage causes delays in the procurement process that detracts from service delivery. The findings indicate that the approval of tender documents can take between two weeks and one month. The respondents were of the opinion that there is a need to limit the involvement of the SPB in the activities of the public procurement process as this would hasten the process.

Of the respondents, 24 (38%) suggested that the delays in the approval of tender documents at the SPB in the preparation stage can be reduced by developing Standard Bidding Documents. This would reduce the inconsistencies during the approval process at SPB. Of the respondents, 19 (30%) remarked that training of the procuring entities for the preparation

of tender documents (RFPs) by the SPB could improve the tender document approval process and time at the Board.

6.6 THE EXTENT OF CHALLENGES IN THE PUBLIC PROCUREMENT PROCESS EXPERIENCED IN THE ADVERTISING STAGE

Section 3 of the questionnaire was compiled to measure the extent to which the entities experience challenges in the advertising stage of the public procurement process.

6.6.1 Challenges in the advertising stage

This section presents the frequencies of yes/no answers to the question whether the issues raised in this section are challenges in the public procurement process.

6.6.1.1 Delays in the determination of publication/closing dates at the SPB

As indicated in Table 6.16, the majority of the respondents (87.5%) stated that the delays in the process of determination of publication dates is a challenge, with 12.5% indicating that this is not a challenge. Therefore, it can be concluded that the procedural requirements in the determination of publication and closing dates are a challenge.

Table 6.16: Delays in the determination of publication and closing dates at SPB

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 8 | 12.5 | 12.5 |
| Is a challenge | 56 | 87.5 | 100 |

6.6.1.2 Amount of time taken to approve the RFP and the advertisement

It was agreed by 87.5% of the respondents that the amount of time taken in the process of approving the RFP and the advertisement is a challenge while 12.5% indicated that this is not a challenge (see Table 6.17). As indicated in the first phase of the empirical research, this challenge emanated from the need for the procuring entities to go back and forth to the SPB to have documents checked and corrected, as the legal requirement is that all RFPs and advertisements have to be approved by the SPB. This lengthy process is as a result of poor

appreciation of the public procurement laws at entity level as well as inadequate technical expertise on the part of the SPB.

Table 6.17: Amount of time taken to approve the RFP and the advertisement

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 8 | 12.5 | 12.5 |
| Is a challenge | 56 | 87.5 | 100 |

6.6.1.3 Amount of time taken from RFP approval to actual publication.

As indicated in Table 6.18 the majority of respondents (90.6%) agreed that the amount of time taken from the approval of the RFP to the actual publication is a challenge, while the remaining 9.4% stated that it is not. This challenge was identified during the first phase of empirical research (see 5.8). The implication of this challenge is that there are predetermined dates where payments for advertisements can be made and dates when advertisements can be placed in the newspaper.

Table 6.18: Amount of time taken from RFP approval to actual publication

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 6 | 9.4 | 9.4 |
| Is a challenge | 58 | 90.6 | 100 |

6.6.1.4 The length of the process followed in special formal tenders

As indicated in 2.7.2, SFTs are tenders that are restricted to a specially known group of suppliers as required in terms of Section 7.2(c) of the Procurement Regulations, Statutory Instrument 171 of 2002 (Zimbabwe Government 2002). These do not necessarily require to be advertised in newspapers because they are meant to be used under special circumstances, for example, urgent purchases, purchases of a specialist nature and purchases of a security nature, where letters are dispatched from the SPB to the targeted suppliers inviting them to participate in the tender. The RFP and the invitation letters, however, have to pass through the same process of approval as the advertisement and the RFP in the normal tender process. As indicated in Table 6.19, 95.3% of the respondents indicated that the length of the process followed in the SFT is a challenge, while 4.7% stated that it is not. Results from the first phase of the empirical research (see 5.8) reveal that this is mainly because of the need to have

all documentation such as the RFP and invitation letters approved and dispatched from the SPB, which results in the process taking as long as the normal tenders, hence defeating the whole justification of urgency for using SFTs.

Table 6.19: The length of the process followed in special formal tenders

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 3 | 4.7 | 4.7 |
| Is a challenge | 61 | 95.3 | 100 |

6.6.1.5 Approval process in the use of direct purchases

Table 6.20 shows that the majority of respondents (90.6%) agreed that the delays in the approval process of direct purchases is a challenge, while 9.4% said it is not. As highlighted in 2.7.2, the direct purchase method is where a particular supplier is approached without the need to advertise; however, this has to be approved by the SPB. This is meant to be a quick procurement method as the likely supplier is known. However, the need to have everything approved by the SPB regardless of the value of the purchase results in delays.

Table 6.20: Delays in the approval process of direct purchases

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 6 | 9.4 | 9.4 |
| Is a challenge | 58 | 90.6 | 100 |

6.6.1.6 The process followed in the use of approved lists

As in the use of SFTs and direct purchases, the use of an "approved list" is a quick method of procurement where the need to advertise is eliminated as the suppliers are known through the list of suppliers registered with the SPB. As shown in Table 6.21, 85.9% of the respondents noted that delays in the approval process of using approved list is a challenge, with 14.1% stating that it is not. Results of the first phase of the empirical research (see 5.8.1.5) reveal that this challenge emanates from the need to have the documentation and letters approved by the SPB, resulting in delays in the process. Even when a list has 50 or 100 suppliers, all of these suppliers have to be approached. This defeats the objective of urgency and detracts from service delivery.

Table 6.21: Delays in the process of using approved list

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 9 | 14.1 | 14.1 |
| Is a challenge | 55 | 85.9 | 100 |

6.6.2 Testing of Challenges in the Advertising Stage

Table 6.22 indicates that all the items are a challenge according to the responses, since the p-value is less than 0.05 (i.e. $p < 0.05$). A summary of the results from the test are presented in Table 6.22 below:

Table 6.22: Challenge: Advertising Stage

| | Challenges during the preparation stage | p-value | Decision |
|---|--|----------------|-----------------|
| 1 | Delay in determining of publication and closing dates at SPB | <.0005 | Is a challenge |
| 2 | Amount of time taken to approve the RFP and advertisement | <.0005 | Is a challenge |
| 3 | The amount of time taken from RFP approval to the actual publication | <.0005 | Is a challenge |
| 4 | The length of process taken in the use of SFTs | <.0005 | Is a challenge |
| 5 | The time taken in the process of using direct purchase | <.0005 | Is a challenge |

Table 6.23 reveals that the delay in determining publication and closing dates at SPB is the only challenge with a median less than 4. This indicates that it is a challenge to a lesser extent. The challenges of the amount of time taken to approve the RFP and advertisement (Mean 4) and the other four challenges (Mean 5) are challenges to a greater extent as they are above the median value (on the scale of 1-7).

Table 6.23 indicates that the responses lie between 2 and 6, with 2 being the lower quartile and 6 the upper quartile. The distribution shows that a significant proportion (75%) of the responses indicate that the challenges are challenges as they lie in the upper quartile at 5-6. The responses and response rate per each question shows a high response rate on all the questions as the percentages of valid cases are from 86 to 95%.

Challenges with a mean below 4 are challenges to a lesser extent (less significant) and those with a mean of 4 and above are challenges to a greater extent (significant challenges)

As can be seen from Table 6.23, the time taken in the use of direct purchases has the highest mean of 4.90, while delay in the determination of publication and closing dates at SPB has the lowest (3.59). The need to have the direct purchase approved by the SPB results in delays in the process as discussed in 6.6.1.5. This can be attributed to the fact that, despite the urgency, approval by the SPB can take as long as two weeks.

While delay in the determination of publication and closing dates has the lowest mean of 3.59, the respondents indicated that predetermination of dates when payments for advertisements can be made and dates when advertisements can be placed in the newspaper, as indicated in 6.6.1.1, is a challenge that detracts from service delivery. The analysis of the qualitative comments reveals that the approval of publication and closing dates could be shortened if the function was delegated to the AO.

The challenges of the length of process used for SFTs and the length of process used in the use of approved lists also had high mean values (4.82 and 4.51 respectively) and, as noted in 6.6.1.4 and 6.6.1.6, this can be attributed to the need to have them approved by the SPB. The qualitative comments reveal that this whole stage of the procurement process could be completed faster and efficiently if the procuring entity could be delegated authority to conclude the activities. This is supported by Thai (2008:9), who remarks that an important method of achieving increased efficiency in procurement is through the decentralisation of authority and procurement processes. Thai (2008:393), Basheka et al (2008) and Ntayi et al (2009) further reiterate that bureaucratic procurement processes make the whole procurement process expensive. In Ghana, for example, Balaba (2012) suggested that the public procurement process be streamlined through the removal of non-value adding activities and the increasing of tender thresholds to decentralise procurement authority. The results from the qualitative comments of the questionnaire are indicative that the involvement of the SPB is not adding any value to the procurement process. This is evident, as the majority of the challenges experienced in the advertising stage of the public procurement process have mean values < 4.

Table 6.23: List and rankings of advertising stage challenges (N=64)

| | Challenges | Mean | Median | Quartiles | | No. of valid cases | % of valid cases |
|---|--|-------------|---------------|------------------|-----------|---------------------------|-------------------------|
| | | | | 25 | 75 | | |
| 1 | Delay in determining of publication and closing dates at SPB | 3.59 | 3.00 | 2.00 | 5 | 56 | 88 |
| 2 | Amount of time taken to approve the RFP and advertisement | 4.32 | 4.00 | 3.00 | 5.00 | 56 | 88 |
| 3 | The amount of time taken from RFP approval to the actual publication | 4.36 | 5.00 | 3.00 | 6.00 | 59 | 92 |
| 4 | The length of process taken in the use of SFTs | 4.82 | 5.00 | 4.00 | 6.00 | 61 | 95 |
| 5 | The time taken in the process of using direct purchase | 4.90 | 5.00 | 3.75 | 6.00 | 58 | 91 |
| 6 | The length of process followed in the use of approved lists | 4.51 | 5.00 | 3.00 | 6.00 | 55 | 86 |

From Table 6.24 it can be seen that all the challenges have $p < 0.0005$ and mean > 4 which means they are significant challenges and are challenges to a greater extent except for the challenge: delay in determining of publication and closing date, with a mean < 4 .

Table 6.24: Advertising Stage: Wilcoxon signed rank test

| | Challenge | Mean | p-value | Decision: extent of challenge |
|---|--|-------------|----------------|--|
| 1 | Delay in determining of publication and closing dates at SPB | 3.59 | <.0005 | Greater extent |
| 2 | Amount of time taken to approve the RFP and advertisement | 4.32 | <.0005 | Greater extent |
| 3 | The amount of time taken from RFP approval to the actual publication | 4.36 | <.0005 | Greater extent |
| 4 | The length of process taken in the use of SFTs | 4.82 | <.0005 | Greater extent |
| 5 | The time taken in the process of using direct purchase | 4.90 | <.0005 | Greater extent |
| 6 | The length of process followed in the use of approved lists | 4.51 | <.0005 | Greater extent |

6.6.3 Detract from Service delivery

The responses to the questions on whether the challenges detract from service delivery were also analysed with a binomial test to see if a significant proportion answered yes or no to the question of whether the challenges detract service delivery. As shown in Table 6.25, the all the respondents indicated that the challenges detract from service delivery with percentages ranging from 50.3% for the lowest and 79.7% as the highest.

A significant percentage of respondents agreed that the listed items present problems during the advertising stage. The binomial test in table 6.25 reveals that that all these problems detract from service delivery with the exception of delay in determining of publication and closing dates by SPB's ($p=0.689$). The following challenges during the advertising stage detract from service delivery: Amount of time taken to approve the RFP and advertisement ($p=.014$); the amount of time taken from RFP approval to the actual publication ($p=.036$); The length of process taken in the use of SFTs ($p, <0.05$); the time taken in the process of

using direct purchase (p, <0.05) and the length of process followed in the use of approved lists (p=0.022)

Table 6.25: Detract from service delivery: Advertising stage

| | | N=64 | Detracts from service (%age) | | |
|---|--|---------------------|------------------------------|------|------------------------|
| | Challenges | No. of Valid cases* | Yes | NO | Asymp. Sig. (2-tailed) |
| 1 | Delay in determining of publication and closing dates at SPB | 56 | 53.6 | 44.4 | .689 ^a |
| 2 | Amount of time taken to approve the RFP and advertisement | 56 | 67.3 | 32.7 | .014 ^a |
| 3 | The amount of time taken from RFP approval to the actual publication | 59 | 64.4 | 35.6 | .036 ^a |
| 4 | The length of process taken in the use of SFTs | 61 | 79.7 | 20.3 | .000 ^a |
| 5 | The time taken in the process of using direct purchase | 58 | 75.9 | 24.1 | .000 ^a |
| 6 | The length of process followed in the use of approved lists | 55 | 66.1 | 33.9 | .022 ^a |

***Number of valid cases who indicated this to be a problem**

^a Based on Z Approximation

6.6.4 Analysis of Qualitative comments: Advertising Stage

Of the respondents, 41 (64%) were of the opinion that the involvement of the SPB in the approval of advertisements and determining the publication and closing period of tenders are challenges that delay the public procurement process. It was remarked by 24 of the respondents (37.5%) that the advertising and publication of tenders would be carried out more efficiently if the process was handled by the entities without the involvement of the SPB.

6.7 THE EXTENT OF CHALLENGES IN THE PUBLIC PROCUREMENT PROCESS EXPERIENCED IN THE BID EVALUATION STAGE

Section 4 of the questionnaire was compiled to measure the extent to which the entities experience challenges in the bid evaluation stage of the public procurement process.

6.7.1 Challenges in the Bid Evaluation stage

This section presents the frequencies of yes/no answers as to whether the areas raised in this section are challenges in the public procurement process.

6.7.1.1 The time taken to be invited to collect tender documents at the SPB

As indicated in Table 6.26, the majority of the respondents (87.5%) stated that the amount of time taken to be invited to collect tender documents after the tender opening at SPB is a challenge, while 12.5% indicated that this is not a challenge. As highlighted in the first phase of the empirical research (see 5.8.2.2), the process involved at this stage is that, when tenders are opened, the bids are supposed to be stamped and signed at SPB and dispatch letters prepared. This results in the documents being collected for evaluation by entities on Friday or Monday after they have been opened on Tuesday. It was also found from the first phase that entities outside Harare had more challenges in this regard given the time and distances they have to travel to collect the documents.

Table 6.26: The amount of time taken to be invited to collect tender documents

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 8 | 12.5 | 12.5 |
| Is a challenge | 56 | 87.5 | 100 |

6.7.1.2 Inadequate time entities are given to evaluate tenders

Only 18.8% of the respondents stated that entities being given inadequate time to evaluate tenders is not a challenge that detracts from service delivery, while the majority of the respondents (72.2%) indicated that it is a challenge (see Table 6.26). Entities are given 15 days (in terms of Section 11 of the Procurement Regulations) to complete the evaluation and it was found in the first phase of the empirical research (see 5.8.2.3 and 5.8.2.4) that, due to other work commitments, entities face challenges due to failures to constitute quorums to

evaluate tenders. In addition, complex tenders require some consultations before decisions can be made.

Table 6.26: Inadequate time provided to evaluate tenders

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 11 | 18.8 | 18.8 |
| Is a challenge | 53 | 72.2 | 100 |

6.7.1.3 Number of staff involved in the evaluation process at entity level

As shown in Table 6.28, the majority of respondents (86%) noted that the excessive number of people involved in the evaluation process at the entities is a challenge while 14% stated that it was not a challenge. As also shown in the first phase of data collection (see 5.8.2.3 and 5.8.2.4), there is no prescribed number of procurement committee members and it is the prerogative of the AO to come up with any numbers.

Table 6.28: Excessive number of staff in the evaluation process

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 9 | 14.1 | 14.1 |
| Is a challenge | 55 | 85.9 | 100 |

6.7.1.4 Poor selection criteria of procurement committee members

6.4% of the respondents stated that poor selection criteria of procurement committee members at the entities is not a challenge, while the majority (90.6%) agreed that it is a challenge, as shown in Table 6.29. Section 14 of the Procurement Regulations state that the selection of the procurement committee members is the prerogative of the AO with no mention of the characteristics of people to be included. To this effect the AO could select anyone with no proper criteria as to who should be in the committee or not as it is based on discretion.

Table 6.29: Poor selection criteria of procurement committee members

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 6 | 9.4 | 9.4 |
| Is a challenge | 58 | 90.6 | 100 |

6.7.1.5 Evaluation team members' lack of training in procurement

Table 6.30 shows that 95.3% of the respondents agreed that the procurement committees' lack of training in procurement is a challenge with 4.7% stating that it is not a challenge. In relation to 6.10.1.4 above, the selection of procurement committee members by the AO has no set formula for who is supposed to be on the committee and procurement regulations are silent on that issue. Therefore, the majority of the members lack training in procurement. As a result, evaluation reports have to go back and forth to the SPB for re-evaluations, hence prolonging the process.

Table 6.30: Procurement committee members lack of training in procurement

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 3 | 4.7 | 4.7 |
| Is a challenge | 61 | 95.3 | 100 |

6.7.1.6 Procurement committee members' lack of knowledge of procurement ethics

The majority of the respondents (92.7%) indicated that a lack of knowledge in procurement ethics is a challenge and 6.3% stating that it is not (see Table 6.31). This particular lack of knowledge coupled with the lack of training and knowledge in procurement and with poor selection criteria for procurement committee members has resulted in acts of misprocurement being committed and poor evaluations at the entities.

Table 6.31: Procurement committee members lack of knowledge in procurement ethics

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 4 | 6.3 | 6.3 |
| Is a challenge | 60 | 92.7 | 100 |

6.7.1.7 Evaluation committee members' lack of expertise in tender evaluations

Of the respondents 92.7% stated that procurement committee members' lack of expertise in tender evaluations is challenge and 6.3% stated that it is not a challenge (see Table 6.32). Coupled with the lack of training in procurement and poor selection criteria for members as highlighted in the first phase of the empirical research (see 5.8.2.4), this has resulted in poor

decisions being made by the committee which eventually would be re-evaluated as they would have to be returned by the SPB.

Table 6.32: Procurement committee members lack of expertise in tender evaluations

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 4 | 6.3 | 6.3 |
| Is a challenge | 60 | 92.7 | 100 |

6.7.1.8 Poor interpretation of evaluation criteria

Poor interpretation of evaluation criteria is a challenge at the entities as can be seen from Table 6.33. Only 9.4% of the respondents noted it is not a challenge. Of the respondents, 90.6% agreed that poor interpretation of the evaluation criteria is a challenge as these are the basis with which a tender or contract is awarded. This is made worse by the lack of expertise in tender evaluations as well as lack of training in procurement, which have resulted in mediocre evaluations which are often returned by the SPB for re-evaluation.

Table 6.33: Poor interpretation of evaluation criteria

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 6 | 9.4 | 9.4 |
| Is a challenge | 58 | 90.6 | 100 |

6.7.1.9 The use of 100% compliance award criteria

The award criteria of 100% compliance is a challenge as shown in Table 6.34, where it is indicated that 90.6% agreed that it is a challenge and 9.4% said that it is not a challenge. As found in the first phase of the empirical research (see 5.8.2.3), the award of tenders on the basis of 100% compliance to the tender document has resulted in tenders being awarded to bidders without the necessary capacity if they have mastered the art of writing tender documents.

Table 6.34: The use of 100% compliance award criteria

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 6 | 9.4 | 9.4 |
| Is a challenge | 58 | 90.6 | 100 |

6.7.1.10 Supplier approved list registration criteria at SPB

Of the respondents 92.2% indicated that the supplier registration criteria at SPB is a challenge, with 7.8% stating that it is not (see Table 6.35). It was indicated in the first phase of data collection that the registration criteria at SPB required that a prospective supplier merely submits documents and \$100 in registration fees in order to qualify to be registered without any assessment of capacity.

Table 6.35: Supplier approved list registration criteria at SPB

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 5 | 7.8 | 7.8 |
| Is a challenge | 59 | 92.2 | 100 |

6.7.1.11 Absence of supplier appraisals and rating

Table 6.36 indicates that the majority of respondents (93.8%) stated that the absence of supplier appraisals and rating at the SPB is a challenge with 6.2% saying it is not a challenge. The supplier registration process at SPB (see 6.10.20.) requires that prospective suppliers submit documentation and \$100 registration fees to qualify to be on the approved list of any category and this has brought many challenges as there is no requirement for supplier appraisal in order for a supplier to be qualified. Results from the first phase of the empirical research (see 5.8.2.6) show that a number of government contracts have been awarded to contractors with no capacity, resulting in some projects being aborted mid-stream or failing to start at all.

Table 6.36: Absence of supplier appraisal

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 4 | 6.2 | 6.2 |
| Is a challenge | 60 | 93.8 | 100 |

6.7.1.12 Amount of time taken for evaluation at SPB

Of the respondents 92.2% indicated that the time taken for evaluation at SPB is a challenge, while 7.8% said it is not a challenge (see Table 6.37). The majority attributed this to the fact that the SPB sits only once a week to consider tenders; the meetings are on Thursdays and the draft agenda has to be ready the previous Tuesday. Depending on the complexity of the tender and the number of tenders the SPB officials are handling, it may not be considered the following Thursday as there might be a need for the SPB and the entity to have meetings to discuss the evaluations.

Table 6.37: Amount of time taken for evaluation criteria at SPB

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|------------------------|
| Not a challenge | 5 | 7.8 | 7.8 |
| Is a challenge | 59 | 92.2 | 100 |

6.7.1.13 Non-concurrence of evaluations from the entities and the SPB

Table 6.38 shows that 84% of the respondents agreed that the non-concurrence of the entity evaluation and the SPB evaluation is a challenge. When the evaluations fail to agree, meetings and counter meetings between the SPB and the entity will be held until such time as the evaluations concur.

Table 6.38: Non-concurrence of SPB and entity evaluations

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|------------------------|
| Not a challenge | 10 | 15.6 | 15.6 |
| Is a challenge | 54 | 84.4 | 100 |

6.7.2 Testing of challenges in the bid evaluation stage

The significance of the challenges was tested using binomial tests achieving a 5% level of significance. The following hypothesis is used:

Null hypothesis (H_0): the proportion selecting each response option is not different from 0.5.

Alternative hypothesis (H_1): the proportion selecting each response option is different from 0.5.

The null hypothesis is rejected if $p < 0.05$ otherwise the null hypothesis is accepted and it is concluded that the item is not a challenge at 5% level of significance.

The Table 6.39 shows that all the items according to the responses are a challenge since the p-value is less than 0.05 (i.e. $p < 0.05$). A summary of the results from the test are presented in Table 6.39 below:

Table 6.39: Challenge: Bid Evaluation Stage

| | Challenges during the preparation stage | p-value | Decision |
|----|---|----------------|-----------------|
| 1 | Amount of time taken to be invited to collect tender documents | <.0005 | Is a challenge |
| 2 | Inadequate amount of time provided to evaluate tenders at entity level | <.0005 | Is a challenge |
| 3 | The number of people involved in the evaluation process at entity level | <.0005 | Is a challenge |
| 4 | Poor selection criteria for procurement committee members | <.0005 | Is a challenge |
| 5 | Evaluation team members' lack of training in procurement | <.0005 | Is a challenge |
| 6 | Evaluation team members lack of knowledge of procurement ethics | <.0005 | Is a challenge |
| 7 | Evaluation team members' lack of expertise in tender evaluation | <.0005 | Is a challenge |
| 8 | Poor interpretation of evaluation criteria | <.0005 | Is a challenge |
| 9 | The use of 100% compliance award criteria | <.0005 | Is a challenge |
| 10 | Supplier approved list registration criteria at SPB | <.0005 | Is a challenge |
| 11 | Absence of supplier appraisals and rating | <.0005 | Is a challenge |
| 12 | Amount of time taken for evaluation at SPB | <.0005 | Is a challenge |
| 13 | Non-concurrence of entity and SPB evaluation | <.0005 | Is a challenge |

6.7.3 Extent of Challenges

Table 6.40 show that challenges 1, 2, 3, 4 and 13 have median of 4. Challenges 5 to 12 have median value of between 5 and 6. On the scale of 1 to 7 in the questionnaire the median score is 3.5. Therefore a score less than four reflects that the challenge detracts from service delivery to a lesser extent and challenges 5-12 detract from service delivery are challenges to a greater extent.

It is clear from Table 6.40 that the responses lie between 2 and 7, with 2 being the lower quartile and 7 being upper quartile. The distribution of data shows that it is heavily to the upper quartile (75%) above the median position (4) indicating that responses to the challenges reveal that these are challenges to a greater extent. The responses and response rate for each question prove that the percentage response rate for the challenges was high with the lowest response rate per challenge being 83% (Inadequate amount of time provided to evaluate tenders at entity level) and the highest response rate per challenge being 95% (Evaluation team members' lack of training in procurement).

The majority of challenges (Challenges 4-13) are significant as they have mean values above 4.

The challenge of the amount taken to be invited to collect tender documents has the lowest mean of 3.91. It was found from the interviews and the qualitative comments that this invitation should be made by entities because of the amount of time taken for evaluations at SPB (4.85) of the tender documents. It was also noted from the participants' comments during the first phase of the study that the amount of time taken at SPB can be attributed to technical capacity inadequacies and insufficient human resources. This results in officers being overwhelmed by the number of evaluations.

Poor selection criteria of evaluation committee members (4.86) can be attributed to Section 14 of the Procurement Regulations which states that the prerogative of selecting procurement committee members lies with the AOs. The Regulations do not explicitly indicate who should be on the committee in terms of position, qualifications and experience. This results in subjectivity in the selection process as indicated in the first phase of empirical research.

The challenges of evaluation team members' lack of training in procurement (5.64), evaluation team members' lack of knowledge of procurement ethics (5.60), poor interpretation of evaluation criteria (4.83) and evaluation team members' lack of expertise in tender evaluation (5.13) can be attributed to the lack of training from the SPB, inappropriate qualifications and experience in public procurement. This is corroborated by Mamiro (2012: 5) who remarked that a lack of experts in procurement in the Tanzanian public sector resulted in procurement functions being performed by engineers, architects and quantity surveyors, with little training provided on the competitive bidding process and no training in procurement. The ODPP *Annual Report* (ODPP 2007a) reports on a study that was carried out in Malawi, where it was found that capacity inadequacies, such as lack of basic

knowledge of procurement law, inability to comprehend standard tender documents, poor publication of tender information and lack of technical abilities as well as lack of managerial skills impact negatively on the tendering process. Comments from the interviews and the qualitative section of the interview in this study reveal that these capacity inadequacies also impact negatively on service delivery in Zimbabwe. In the qualitative comments the respondents recommended that training with regard to public procurement processes in Zimbabwe be provided in order to improve the capacity and knowledge of officers.

The challenge of absence of supplier appraisals (mean of 5.80) has resulted in tenders being awarded to bidders without adequate capacity and has worsened through the use of 100% compliance criteria (5.44). As indicated in 5.8.2.6, supplier appraisals would assist in the selection of the appropriate suppliers when considering critical variables in supplier appraisal as corroborated by Imeri (2013:64) rather than purely depending on 100% compliance in completing the tender documents. Suppliers in Zimbabwe have developed expertise in responding to compliance issues in the RFP or hire experts to do so, so that they can be awarded the tender without having their capacities assessed. The participants in the interviews and the respondents recommended that the control of the evaluations, appraisals and registration should be the responsibility of the procuring entities, which have the necessary technical expertise to evaluate tenders and are able to make better informed decisions than the SPB. As indicated in the literature review see 2.4.3), a procurement manager's main responsibility is to purchase the material requirements from the right source in line with the basic objectives of purchasing, and the same criteria are equally important in the public procurement process though the relative importance and ratings may be different (Beil 2009:1; Imeri 2013:64, UCL 2011:10).

Respondents suggested that procurement authority should be delegated to the entities as this would eliminate the length of time taken for evaluations at SPB (4.85) and the non-concurrence of the evaluations of the entities and the SPB (4.37).

Table 6.40: List and rankings of bid evaluation stage challenges (N=64)

| | Challenges | Mean | Median | Quartiles | | No. of valid cases | % of valid cases |
|----|---|------|--------|-----------|------|--------------------|------------------|
| | | | | 25 | 75 | | |
| 1 | Amount of time taken to be invited to collect tender documents | 3.91 | 4 | 3 | 5 | 56 | 88 |
| 2 | Inadequate amount of time provided to evaluate tenders at entity level | 3.96 | 4 | 2 | 5.50 | 53 | 83 |
| 3 | The number of people involved in the evaluation process at entity level | 3.93 | 4 | 2 | 5 | 55 | 86 |
| 4 | Poor selection criteria for procurement committee members | 4.86 | 4 | 2 | 5 | 55 | 86 |
| 5 | Evaluation team members' lack of training in procurement | 5.64 | 5 | 5 | 7 | 61 | 95 |
| 6 | Evaluation team members lack of knowledge of procurement ethics | 5.60 | 6 | 5 | 7 | 60 | 94 |
| 7 | Evaluation team members' lack of expertise in tender evaluation | 5.13 | 6 | 4 | 6 | 60 | 94 |
| 8 | Poor interpretation of evaluation criteria | 4.83 | 5 | 4 | 6 | 59 | 92 |
| 9 | The use of 100% compliance award criteria | 5.44 | 6 | 4 | 7 | 59 | 92 |
| 10 | Supplier approved list registration criteria at SPB | 5.29 | 6 | 4 | 7 | 59 | 92 |
| 11 | Absence of supplier appraisals and rating | 5.80 | 6 | 5 | 7 | 60 | 94 |
| 12 | Amount of time taken for evaluation at SPB | 4.85 | 5 | 4 | 6 | 59 | 92 |
| 13 | Non-concurrence of entity and SPB evaluation | 4.37 | 4 | 4 | 5.25 | 54 | 84 |

From Table 6.40 it may be seen that the following are challenges to a lesser extent: amount of time taken to be invited to collect tender documents ($p=0.737$), inadequate amount of time provided to evaluate tenders at entity level ($p=0.823$) and the number of people involved in

the evaluation process at entity level extent ($p=0.774$). The rest of the challenges have $p < 0.0005$ and mean > 4 , which means that these challenges are significant to a greater extent.

Table 6.41: Bid Evaluation stage: Wilcoxon signed rank tests

| | Challenge | Mean | p-value | Decision: extent of challenge |
|----|---|------|---------|-------------------------------------|
| 1 | Amount of time taken to be invited to collect tender documents | 3.91 | .737 | Lesser extent |
| 2 | Inadequate amount of time provided to evaluate tenders at entity level | 3.96 | .823 | Lesser extent |
| 3 | The number of people involved in the evaluation process at entity level | 3.93 | .774 | Lesser extent |
| 4 | Poor selection criteria for procurement committee members | 4.86 | <.0005 | Greater extent |
| 5 | Evaluation team members' lack of training in procurement | 5.64 | <.0005 | Greater extent |
| 6 | Evaluation team members lack of knowledge of procurement ethics | 5.60 | <.0005 | Greater extent |
| 7 | Evaluation team members' lack of expertise in tender evaluation | 5.13 | <.0005 | Greater extent |
| 8 | Poor interpretation of evaluation criteria | 4.83 | <.0005 | Greater extent |
| 9 | The use of 100% compliance award criteria | 5.44 | <.0005 | Greater extent |
| 10 | Supplier approved list registration criteria at SPB | 5.29 | <.0005 | Greater extent |
| 11 | Absence of supplier appraisals and rating | 5.80 | <.0005 | Greater extent |
| 12 | Amount of time taken for evaluation at SPB | 4.85 | <.0005 | Greater extent |
| 13 | Non-concurrence of entity and SPB evaluation | 4.37 | <.0005 | Greater extent |

6.7.4 Detracting from Service Delivery

As shown in Table 6.42, the amount of time taken to be invited to collect tender documents and the number of people involved in the evaluation process at entity level had the least number of respondents who said that it detracts from service delivery (39.3% and 45.5% respectively). More than 88% of respondents indicated the challenge of the use of 100%

compliance award criteria detracts from service delivery. Only the challenge of inadequate amount of time provided to evaluate tenders at entity level had an equally divided opinion.

The binomial tests in Table 6.42 reveal that a significant proportion of respondents agreed that the listed items present significant problems in the bid evaluation stage, a significant proportion agreed that only the following problems in the evaluation stage detract from service delivery: poor selection criteria for procurement committee members ($p=.002$); evaluation team members' lack of training in procurement ($p,<0.05$); evaluation team members lack of knowledge of procurement ethics ($p,<0.05$); evaluation team members' lack of expertise in tender evaluation ($p,<0.05$); poor interpretation of evaluation criteria ($p,<0.05$); the use of 100% compliance award criteria ($p,<0.05$); supplier approved list registration criteria at SPB ($p,<0.05$); absence of supplier appraisals and rating ($p,<0.05$); amount of time taken for evaluation at SPB ($p,<0.05$) and; non concurrence of entity and SPB evaluation ($p=0.001$).

Table 6.42: Detracting from Service Delivery: Bid evaluation stage

| | Challenge | N=64 | Detracts from service (%age) | | Asymp. Sig. (2-tailed) |
|----|---|---------------------|------------------------------|-------|------------------------|
| | | No. of Valid cases* | Yes | No | |
| 1 | Amount of time taken to be invited to collect tender documents | 56 | 39.3 | 60.7 | .141 ^a |
| 2 | Inadequate amount of time provided to evaluate tenders at entity level | 53 | 52.8 | 47.2 | .784 ^a |
| 3 | The number of people involved in the evaluation process at entity level | 55 | 45.5 | 54.5 | .590 ^a |
| 4 | Poor selection criteria for procurement committee members | 55 | 71.2 | 28.8 | .002 ^a |
| 5 | Evaluation team members' lack of training in procurement | 61 | 93.4 | 6.6 | .000 ^a |
| 6 | Evaluation team members lack of knowledge of procurement ethics | 60 | 83.3 | 16.7 | .000 ^a |
| 7 | Evaluation team members' lack of expertise in tender evaluation | 60 | 80.3 | 19.7 | .000 ^a |
| 8 | Poor interpretation of evaluation criteria | 59 | 81.4 | 18.36 | .000 ^a |
| 9 | The use of 100% compliance award criteria | 59 | 88.1 | 11.9 | .000 ^a |
| 10 | Supplier approved list registration criteria at SPB | 59 | 76.3 | 23.7 | .000 ^a |
| 11 | Absence of supplier appraisals and rating | 60 | 90 | 10 | .000 ^a |
| 12 | Amount of time taken for evaluation at SPB | 59 | 79.7 | 20.3 | .000 ^a |
| 13 | Non-concurrence of entity and SPB evaluation | 54 | 72.2 | 27.8 | .000 ^a |

*Number of valid cases who indicated this to be a problem

^a Based on Z Approximation

6.7.5 Analysis of the Qualitative Comments: Bid Evaluation Stage

Of the respondents 30 (47%) indicated that the evaluation criteria of 100% compliance to tender documents is a challenge because it has resulted in tenders being awarded to contractors with no capacity, with no supplier appraisals and prior assessments of the contractors being done. The 23 respondents (35%) who indicated that they have never been trained by the SPB regarding evaluations, resulting in inconsistencies in the entity evaluation and the SPB evaluation, expressed confidence that such training would result in much better

evaluation in line with SPB requirements. It was suggested by 30 (47%) of the respondents that the evaluations should be within the control of procuring entities, who have the necessary technical expertise to evaluate tenders, to carry out supplier appraisal and to make better informed decisions than the SPB.

6.8 THE EXTENT OF CHALLENGES IN THE PUBLIC PROCUREMENT PROCESS EXPERIENCED AT THE AWARD STAGE

Section 5 of the questionnaire was compiled to measure the extent to which the entities are experiencing challenges in the award stage of the public procurement process.

6.8.1 Challenges in the award stage

This section presents the frequencies of yes/no answers to the questions and whether they are challenges.

6.8.1.1 Amount of time taken at SPB to notify bidders on tender results

Table 6.43 indicates that 76.6% of the respondents stated that the amount of time taken at the SPB to notify bidders of the tender results is a challenge, with 23.4% saying that it is not a challenge. Results from the first phase of the empirical research (see 5.8.3.1) show that it takes a week for notification letters to be distributed to the bidders by the SPB from the day the Board meeting will have been held with respondents stating that that they receive the letters next Wednesday after the Thursday Board meeting as some of the letters being dispatched after confirmation of the minutes.

Table 6.43: Amount of time taken at SPB to notify bidders on tender results

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 15 | 23.4 | 23.4 |
| Is a challenge | 49 | 76.6 | 100 |

6.8.1.2 Amount of time taken to enter into contracts with winning bidders

Of the respondents 18.8% stated that the amount of time taken to invite bidders to contract negotiation is not a challenge, while 81.2% agreed that it is a challenge (see Table 6.44). This was attributed to legal requirements which needed to be complied with before negotiations can commence.

Table 6.44: Amount of time taken to enter into contracts with winning bidders

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 12 | 18.8 | 18.8 |
| Is a challenge | 52 | 81.2 | 100 |

6.8.1.3 The 20-day period to lodge appeals at the admin court

As shown in Table 6.45, 79.7% of the respondents stated that the 20-day period given to aggrieved bidders to appeal to the administration court (in terms of Sections 43 and 44 of the Procurement Act) is a challenge with 20.3%, stating that it is not a challenge. Results of the empirical study (see 5.8.3.2) show that the majority of the respondents expressed concern at the 20 days, indicating that it is too long as the public will be awaiting service. The implication of the 20-day period is that the AO may not enter into a contract with the winning bidder until that period lapse.

Table 6.45: The 20-day period to lodge appeals at the court

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 13 | 20.3 | 20.3 |
| Is a challenge | 51 | 79.7 | 100 |

6.8.1.4 The suspension of contracts due to appeals by the aggrieved bidders

Of the respondents, 84.4% indicated that the suspension of contract signing due to appeals by aggrieved bidders is a challenge, while 15.6% stated that it is not a challenge, as shown in Table 6.46. Once an aggrieved bidder appeals to the administrative court, the service delivery will be stopped and the contract can only be signed if there is a determination from the court. From the first phase of the empirical research (see 5.8.3.2), it appears that the 84.4% reflects the fact stated by the respondents that the court process in Zimbabwe takes a long time and in cases where a certificate of urgency is sought it is not always granted.

Table 6.46: The suspension of contracts due to appeals by the aggrieved bidders

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 10 | 15.6 | 15.6 |
| Is a challenge | 54 | 84.4 | 100 |

6.8.1.5 The amount of time required to finalise court processes

As shown in Table 6.47, 72.2% stated that the amount of time required to finalise court processes is a challenge while 18.8% stated that it is not. The majority of the respondents who said that it is a challenge attributed that to the fact that the court processes take a long time and the fact that not all cases are granted certificates of urgency with the result that the service is suspended.

Table 6.47: The amount of time required to finalise court processes

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 11 | 18.8 | 18.8 |
| Is a challenge | 53 | 72.2 | 100 |

6.8.2 Testing of challenges in the award stage

Testing of significance of the challenges was done using the Binomial test. The test was done at 5% level of significance. The following hypothesis is used:

Null hypothesis (H_0): the proportion selecting each response option is not different from 0.5.

Alternative hypothesis (H_1): the proportion selecting each response option is different from 0.5.

The null hypothesis is rejected if $p < 0.05$ otherwise the null hypothesis is accepted and it is concluded that the item is not a challenge at 5% level of significance.

The Table 6.48 shows that all the items are a challenge according to the responses, since the p-value is less than 0.05 (i.e. $p < 0.05$).

Table 6.48: Challenge: Award Stage

| | Challenges during the award stage | p-value | Decision |
|---|--|----------------|-----------------|
| 1 | Amount of time taken by SPB to notify bidders entities on tender results | <.0005 | Is a challenge |
| 2 | Amount of time taken to enter into contract with winning bidders | <.0005 | Is a challenge |
| 3 | The period given to losing bidders to seek debriefs | <.0005 | Is a challenge |
| 4 | The 20-day period given to losing bidders to lodge appeals at court | <.0005 | Is a challenge |
| 5 | The suspension of contract signing due to appeals by losing bidders | <.0005 | Is a challenge |
| 6 | The amount of time required for the finalisation of court process | <.0005 | Is a challenge |

Table 6.49 shows that the median of the following challenges have values above 4 indicating that they are challenges to a greater extent: the amount of time required for the finalisation of court process (7), the suspension of contract signing due to appeals by losing bidders (6), the 20-day period given to losing bidders to lodge appeals at court (5). The amount of time taken to enter into a contract with winning bidders (3) and the period given to losing bidders to seek debriefs (3) are below 4, which means that they are a challenge to a lesser extent.

It is clear from Table 6.49 that the responses lie between 2 and 7, with 2 being the lower quartile and 7 the upper quartile. The distribution of the data reveals that on all the challenges a significant proportion of the responses (75%) confirm that these are challenges to a greater extent. Challenges such as the suspension of contract signing due to appeals by losing bidders (7) and the amount of time required for the finalisation of court process (7) also have the lower quartile of 5 and 6 respectively, indicating that these challenges to a great extent given that all responses on the two questions on the scale of 1-7 from lowest to greatest are between 5 and 7. The number of valid cases indicate that they range from 78 to 83% showing that the response rate on all the questions was high.

The suspension of contract signing due to appeals by losing bidders and the amount of time required for the finalisation of court process have the highest mean of 5.44 and 6.26 respectively (see Table 6.49). Three identified challenges, namely, the 20-day period given to losing bidders to lodge appeals at court (4.86), the suspension of contract signing due to appeals by losing bidders (5.44) and the amount of time required for the finalisation of court process (6.26) are significant challenges. Although the amount of time taken by SPB to notify

bidders and entities of the tender results had a mean of 3.84, the comments from the qualitative section of the questionnaire indicate that the respondents were of the opinion that the late receipt of tender award notification letters from the SPB by the entities is a challenge, with 50% indicating that notification letters are received the next Wednesday or Thursday after the SPB meeting. This further prolongs the procurement process, delaying the contract signing process – the amount of time taken to enter into contract with winning bidders (3.85). In addition, losing bidders need to be given an opportunities to seek debriefs, a challenge with a mean of 3.80. The participants in the first phase of empirical research suggested that delegation of authority to the entities will hasten the public procurement process. The suspension of contract signing due to appeals by losing bidders has a mean value of 5.44 and is a challenge to a greater extent. This is in line with Sections 43 and 44 of the Procurement Act, which gives bidders a 20-day period after award to lodge their appeals in the administrative court. This process results in the prolonging of the time taken to enter into contracts with winning bidders (3.85)

The amount of time required for the finalisation of court process had the highest mean of 6.26. This is attributable to the fact that the time taken before the cases can be concluded in courts can take up to 6 months or more, as found from the interviews. However, as indicated in the qualitative section of the questionnaire, while it is a challenge, it is beyond the control of the entities and the SPB.

Table 6.49: List and rankings of award stage challenges (N=64)

| | Challenges | Mean | Median | Quartiles | | No. of valid cases | % of valid cases |
|---|--|------|--------|-----------|------|--------------------|------------------|
| | | | | 25 | 75 | | |
| 1 | Amount of time taken by SPB to notify bidders entities on tender results | 3.84 | 4 | 3 | 5 | 50 | 78 |
| 2 | Amount of time taken to enter into contract with winning bidders | 3.85 | 3 | 2 | 6 | 52 | 81 |
| 3 | The period given to losing bidders to seek debriefs | 3.80 | 3 | 2.75 | 5.25 | 50 | 78 |
| 4 | The 20-day period given to losing bidders to lodge appeals at court | 4.86 | 5 | 3.25 | 6 | 56 | 88 |
| 5 | The suspension of contract signing due to appeals by losing bidders | 5.44 | 6 | 5 | 7 | 54 | 84 |
| 6 | The amount of time required for the finalisation of court process | 6.26 | 7 | 6 | 7 | 53 | 83 |

6.8.3 Testing the extent of challenges

The following challenges were ranked to a lesser extent: the amount of time taken by SPB to notify bidders entities on tender results ($p = 0.538$ and mean 3.84); the amount of time taken to enter into contract with winning bidders ($p = 0.698$ and mean 3.85); and the 20-day period given to losing bidders to seek debriefs ($p = 0.567$ and mean 3.80).. The rest of the challenges have $p < 0.0005$ and mean > 4 , which shows that these challenges ranked to a greater extent (see Table 6.50).

Table 6.50: Award Stage: Wilcoxon signed rank test

| | Challenge | Mean | p-value | Decision: extent of challenge |
|---|--|-------------|----------------|--|
| 1 | Amount of time taken by SPB to notify bidders entities on tender results | 3.84 | 0.538 | Lesser extent |
| 2 | Amount of time taken to enter into contract with winning bidders | 3.85 | 0.698 | Lesser extent |
| 3 | The 20-day period given to losing bidders to seek debriefs | 3.80 | 0.567 | Lesser extent |
| 4 | The 20-day period given to losing bidders to lodge appeals at court | 4.86 | <.0005 | Greater extent |
| 5 | The suspension of contract signing due to appeals by losing bidders | 5.44 | <.0005 | Greater extent |
| 6 | The amount of time required for the finalisation of court process | 6.26 | <.0005 | Greater extent |

6.8.4 Detract from Service Delivery

As shown in Table 6.51, the amount of time required for the finalisation of court process had the highest of responses (86.8%) indicating that it detracts from service delivery whilst the 20-day period given to losing bidders to seek debriefs had the least number of responses agreeing that it detracts service delivery (36.5%) as well as the amount of time taken to enter into a contract with the winning bidder (42.3%) indicating that respondents stated that they do not detract from service delivery.

As shown in Table 6.51, even though a significant percentage of respondents agreed that the listed items present problems during the award stage, the binomial test in table 6.51 reveals that not all these problems detract from service delivery. The following problems (3) during the award stage detract from service delivery: the 20-day period given to losing bidders to lodge appeals at court ($p=.010$); the suspension of contract signing due to appeals by losing bidders ($p, <0.05$) and the amount of time required for the finalisation of court process ($p, <0.05$).

Table 6.51: Detracting from service: Award Stage

| | | N=64 | Detracts from service delivery (%age) | | |
|---|--|---------------------|---------------------------------------|------|------------------------|
| | Challenge | No. of Valid cases* | Yes | No | Asymp. Sig. (2-tailed) |
| 1 | Amount of time taken by SPB to notify bidders entities on tender results | 50 | 51 | 49 | 1.000 ^a |
| 2 | Amount of time taken to enter into contract with winning bidders | 52 | 42.3 | 57.7 | .332 ^a |
| 3 | The 20-day period given to losing bidders to seek debriefs | 50 | 36.5 | 63.5 | .070 ^a |
| 4 | The 20-day period given to losing bidders to lodge appeals at court | 56 | 67.9 | 32.1 | .010 ^a |
| 5 | The suspension of contract signing due to appeals by losing bidders | 54 | 77.8 | 22.2 | .000 ^a |
| 6 | The amount of time required for the finalisation of court process | 53 | 86.8 | 13.2 | .000 ^a |

*Number of valid cases who indicated this to be a problem

^a Based on Z Approximation

6.8.5 Analysis of Qualitative Comments: Award Stage

The respondents were of the opinion that the late receipt of tender award notification letters from the SPB by the entities is a challenge. Of the respondents 32 (50%) indicated that they receive their notification letters the next Wednesday or Thursday after the SPB meeting, further prolonging the procurement process and delaying the contract signing process. This is also evidenced by an article published in the *Herald Business* (June 17, 2015) entitled “Concern over SPB solar tender delay”, where a procuring entity remarked that the SPB had taken four months to announce the winning bids for solar tender projects.

Of the respondents, 34% (22) remarked that the public procurement process is further prolonged by the 20-day appeals period given to aggrieved bidders to go to court to file their appeals as well as the time it takes for the court process to be concluded, which is anything between six months to a year.

6.9 THE EXTENT OF CHALLENGES IN THE PUBLIC PROCUREMENT PROCESS EXPERIENCED AT THE CONTRACT STAGE

Section 6 of the questionnaire was compiled to measure the extent to which the entities are experiencing challenges at the contract stage of the public procurement process.

6.9.1 Challenges in the contract stage

This section presents the frequencies of yes/no answers regarding whether the issues raised were challenges.

6.9.1.1 Extended period taken to invite bidders to sign contracts

Table 6.52 indicates that 79.7% of the respondents stated that the extended period taken to invite bidders to sign contracts is a challenge, with 20.3% saying that it is not a challenge. Results from the first phase of the empirical research show that the extended period before the bidders can be invited to sign contracts was attributable to the procedural requirements from the time of the award, including the need to give aggrieved bidders 20 days to file notices of appeal at the administrative courts and the subsequent suspension of contract signing pending court decisions.

Table 6.52: Extended period taken to invite bidders to sign contracts

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 13 | 20.3 | 20.3 |
| Is a challenge | 51 | 79.7 | 100 |

6.9.1.2 Duration of contract negotiations with winning bidders

Of the respondents, 12.5% stated that the duration of contract negotiations with winning bidders is not a challenge, while 87.5% agreed that it is a challenge (see Table 6.53). This was attributed to legal requirements which needed to be complied with before negotiations can be concluded and signed.

Table 6.53: Duration of contract negotiations with winning bidders

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 8 | 12.5 | 12.5 |
| Is a challenge | 56 | 87.5 | 100 |

6.9.1.3 Lack of contract monitoring mechanisms

As shown in Table 6.54, 81.9% of the respondents stated that lack of contract monitoring mechanisms is a challenge, with 10.9% stating that it is not a challenge. Results of the empirical study show that the lack of contract monitoring mechanisms has resulted in some public contracts being abandoned and some failing to be completed in the prescribed periods, confirming the results of the second phase where 81.9% stated that the lack of contract monitoring mechanisms is a challenge detracting from service delivery.

Table 6.54: Lack of contract monitoring mechanisms

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 7 | 10.9 | 10.9 |
| Is a challenge | 57 | 81.9 | 100 |

6.9.1.4 Lack of SPB involvement in contract monitoring

Of the respondents, 90.6% indicated that the lack of SPB involvement in the monitoring of contracts is a challenge, while 9.4% stated that it is not a challenge (see Table 6.55). The SPB as the custodian of the procurement law in the country gives a directive to all procuring entities to submit a copy of the contract for monitoring purposes but the majority of the respondents expressed concern that despite this the SPB is never involved in contract monitoring.

Table 6.55: lack of SPB involvement in contract monitoring

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 6 | 9.4 | 9.4 |
| Is a challenge | 58 | 90.6 | 100 |

6.9.1.5 Lack of SPB action on poor performing suppliers

As shown in Table 6.56, 96.9% of the respondents stated that lack of SPB action on poor performing and non-performing contractors is a challenge with 3.1% saying that it is not. The majority of the respondents said that it is a challenge. It is attributed to non-action on the contractors by the SPB, who despite having received letters confirming non-performance of contracts by some suppliers from the procuring entities, often instruct them to deal with the matter as the SPB considers it contractual. Despite submission of such evidence on non-performing and poor performing contractors to the SPB, no action has been taken in accordance with Section 25(3) of the Procurement Regulations, which states that “the board may add or remove from the list any firm or person whom the board considers no longer suitable to undertake government contract”. Results from the first phase of empirical research also show that, although the SPB is responsible for registering suppliers, they are not active in taking action when such suppliers fail to perform and that this is aggravated by the fact that no supplier appraisals are done prior to registration on the approved list.

Table 6.56: lack of SPB action on non-performing suppliers

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 2 | 3.1 | 3.1 |
| Is a challenge | 62 | 96.9 | 100 |

6.9.1.6 Failure to take action when suppliers do not meet performance standards

As shown in Table 6.57, 93.8% of the respondents stated that failure by the entities to take action against contractors who fail to meet performance standards is a challenge, with 6.2% stating that it is not. The respondents attributed this challenge to the fact that it is the SPB’s responsibility in terms of Section 25 of the Procurement Regulations to deal with delinquent, non-performing or poor performing contractors who, as stated in 6.9.1.5, are responsible for the stalling and abandonment of public contracts.

Table 6.57: Failure by entities to take action on non performing suppliers

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 4 | 6.2 | 6.2 |
| Is a challenge | 60 | 93.8 | 100 |

6.9.1.7 Failure to conduct procurement audits by the SPB

Table 6.58 shows that the failure by the SPB to conduct procurement audits at the entities is a challenge as evidenced by the majority of respondents (95.3%). Only 4.7% stated that the failure to conduct procurement audits is not a challenge. Whilst procurement audits, undertaken with a view to improve the procurement processes, should help the SPB in noting the challenges that procuring entities experience, the concern of the majority of the respondents is that the audits are not being carried out but rather the SPB prefers fining or reprimanding the procuring entities for acts of misprocurement.

Table 6.58: Failure to conduct procurement audits by the SPB

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 3 | 4.7 | 4.7 |
| Is a challenge | 61 | 95.3 | 100 |

6.9.2 Testing of challenges in the contract stage

The significance of the challenges is tested using the binomial tests as shown in 6.5.2 and the test is done at 5% level of significance. The following hypothesis is used:

Null hypothesis (H0): the proportion selecting each response option is not different from 0.5.

Alternative hypothesis (H1): the proportion selecting each response option is different from 0.5.

The null hypothesis is rejected if $p < 0.05$ otherwise we accept the null hypothesis and we conclude that the item is not a challenge at 5% level of significance.

Table 6.59 shows that all the items are a challenge according to the responses, since the p-value is less than 0.05 (i.e. $p < 0.05$). A summary of the results from the test are presented in Table 6.59 below:

Table 6.59: Challenge: Contract Stage

| | Challenges during the preparation stage | p-value | Decision |
|---|---|----------------|-----------------|
| 1 | Extended period taken to invite bidders to sign contracts | <.0005 | Is a challenge |
| 2 | Duration of contract negotiations with winning bidders | .008 | Is a challenge |
| 3 | Lack of contract monitoring mechanisms | <.0005 | Is a challenge |
| 4 | Lack of SPB involvement in contract mechanisms | <.0005 | Is a challenge |
| 5 | Lack of SPB action on poor performing suppliers | <.0005 | Is a challenge |
| 6 | Failure by entities to take action when suppliers do not meet performance standards | <.0005 | Is a challenge |
| 7 | Failure to conduct procurement audits by the SPB | <.0005 | Is a challenge |

6.9.3 Extent of Challenges

As can be seen from Table 6.60, the median of the challenges, the extended period taken to invite bidders to sign contracts and the duration of contract negotiations with winning bidders is below 4. This means they are challenges to a lesser extent, while the other remaining challenges have a median above 4 to 7 respectively, indicating that they are challenges to a greater extent. The distribution of the data reveals that a significant proportion of the responses are in the upper quartile range (75%), which means that 75% of the responses in the questionnaire agreed that all the challenges are significant. High lower quartile ranges for the challenges of lack of contract monitoring mechanisms (4), lack of SPB involvement in contract monitoring (4.75), lack of SPB action on poor performing suppliers (5), failure by entities to take action when suppliers do not meet performance standards (4.25) and failure to conduct procurement audits by the SPB (5) mean that these are challenges detract from service delivery as they are above the median of 4. Valid cases ranging between 80 to 95% for all the challenges the response rate for these challenges was high.

Table 6.59 below summarises the mean, median and quartiles of the challenges. The suspension of contract signing due to appeals by losing bidders is indicated as a significant challenge, with the highest mean of 6.05, while the duration of contract negotiations had the lowest mean of 3.56. Challenges number 4-7 as shown in Table 6.59 have mean values above

4, indicating that they are significant challenges. Lack of contract monitoring mechanisms (4.96) is a challenge to a greater extent at both entity and SPB level. This was a finding also in the first phase of empirical research, where it was stated that the entities had never been trained in this aspect.

It was also found in the first phase of the empirical study that the SPB does not have enough human and material resources to actively conduct contract monitoring (lack of SPB involvement in contract monitoring has a mean of 5.48) and taking action against poorly performing suppliers (lack of SPB action on poor performing suppliers has a mean of 6.05) and these duties would be carried out more diligently if the laws would grant the entities such authority. During a study conducted by the World Bank (2013) dealing with public procurement in Tunisia, it was found that the removal of major procurement process bottlenecks was the basis for a comprehensive public procurement reform programme. Failure by entities to take action when suppliers do not meet performance standards (5.42) can be attributed to Section 25 of the Procurement Regulations which gives the sole authority to deal with delinquent suppliers to the SPB. Findings from the interviews and the qualitative comments in the questionnaire suggest this power should be delegated to the entities so that they could deal with non-complying suppliers.

Failure to conduct procurement audits by the SPB (5.79) was found to detract from service delivery to a greater extent. The participants from the first phase of empirical research recommended that the SPB should carry out procurement audits so that entities would know where they are getting it wrong so as to avoid repeating the same mistakes in the processes. Participants also stated that the SPB could only manage to carry out procurement audits properly if other non-value adding procurement activities are delegated to the procuring entities, given the SPB's own resource challenges.

Table 6.60: List and rankings of contract stage challenges (N=64)

| | Challenges | Mean | Median | Quartiles | | No. of valid cases | % of valid cases |
|---|---|-------------|---------------|------------------|-----------|---------------------------|-------------------------|
| | | | | 25 | 75 | | |
| 1 | Extended period taken to invite bidders to sign contracts | 3.73 | 3.00 | 2.00 | 6.00 | 51 | 80 |
| 2 | Duration of contract negotiations with winning bidders | 3.56 | 3.50 | 2.00 | 5.00 | 54 | 84 |
| 3 | Lack of contract monitoring mechanisms | 4.96 | 5.00 | 4.00 | 6.50 | 57 | 89 |
| 4 | Lack of SPB involvement in contract monitoring | 5.48 | 6.00 | 4.75 | 7.00 | 58 | 91 |
| 5 | Lack of SPB action on poor performing suppliers | 6.05 | 7.00 | 5.00 | 7.00 | 62 | 97 |
| 6 | Failure by entities to take action when suppliers do not meet performance standards | 5.42 | 6.00 | 4.25 | 7.00 | 60 | 94 |
| 7 | Failure to conduct procurement audits by the SPB | 5.79 | 7.00 | 5.00 | 7.00 | 61 | 95 |

The amount of time taken by SPB to notify entities on tender results and the 20-day period given to losing bidders to lodge appeals at court are both challenges to a lesser extent ($p = 0.456$ and $p < 0.0005$ mean < 4 , respectively), while the rest are challenges to a greater extent (see Table 6.60).

Table 6.61: Contract stage: Wilcoxon signed rank tests

| | Challenges | Mean | p-value | Decision: extent of challenge |
|---|---|-------------|----------------|--|
| 1 | Extended period taken to invite bidders to sign contracts | 3.70 | 0.456 | Lesser extent |
| 2 | Duration of contract negotiations with winning bidders | 4.44 | 0.051 | Greater extent |
| 3 | Lack of contract monitoring mechanisms | 4.48 | 0.000 | Greater extent |
| 4 | Lack of SPB involvement in contract mechanisms | 3.38 | 0.000 | Lesser extent |
| 5 | Lack of SPB action on poor performing suppliers | 4.07 | 0.000 | Greater extent |
| 6 | Failure by entities to take action when suppliers do not meet performance standards | 4.48 | 0.000 | Greater extent |
| 7 | Failure to conduct procurement audits by the SPB | 4.60 | 0.000 | Greater extent |

6.9.4 Detract from service delivery

As shown in Table 6.62 the majority of the responses (more than 70%) indicated that the suspension of contract signing due to appeals by losing bidders and the amount of time required for the finalisation of court process detract from service delivery. Respondents stated that extend periods taken to invite bidders to sign contracts (47.1%) and duration of contract negotiations (42.9) do not detract service delivery with the remaining challenges as indicated on table 6.62 with percentages ranging from 64.9 to 79% detract service delivery.

The binomial test in table 6.62 reveals that even though extended period taken to invite bidders to sign contracts is a significant challenge respondents agreed that it does not detract from service delivery ($p=0.780$). All the remaining challenges are significant and detract from service delivery, that is, lack of contract monitoring mechanisms ($p=0.033$); lack of SPB involvement in contract monitoring ($p=0.012$); Lack of SPB action on poor performing suppliers ($p, <0.05$); failure by entities to take action when suppliers do not meet performance standards ($p, <0.05$) and failure to conduct procurement audits by the SPB ($p, <0.05$).

Table 6.62: Detracting from service: Contract Stage

| | | N=64 | Detracts from service (%age) | | |
|---|---|---------------------|------------------------------|------|------------------------|
| | Challenges | No. of Valid cases* | Yes | No | Asymp. Sig. (2-tailed) |
| 1 | Extended period taken to invite bidders to sign contracts | 51 | 47.1 | 52.9 | .780 ^a |
| 2 | Lack of contract monitoring mechanisms | 57 | 42.9 | 57.1 | .033 ^a |
| 3 | Lack of SPB involvement in contract monitoring | 58 | 64.9 | 35.1 | .012 ^a |
| 4 | Lack of SPB action on poor performing suppliers | 62 | 67.2 | 32.8 | .000 ^a |
| 5 | Failure by entities to take action when suppliers do not meet performance standards | 60 | 79 | 21 | .000 ^a |
| 6 | Failure to conduct procurement audits by the SPB | 61 | 78.3 | 21.7 | .000 ^a |

***Number of valid cases who indicated this to be a problem**

^a Based on Z Approximation

6.9.5 Analysis of Qualitative Comments: Contract stage

It was indicated by 49 respondents (77%) that the failure by the SPB to assist the entities in the monitoring of contracts and dealing with non-performing contractors has resulted in contractors taking longer to deliver government contracts despite being the body empowered in terms of Section 25 of the Procurement Regulations to deal with suppliers failing the government. The respondents stated that, when there were contractual issues with the suppliers, the SPB instructed them to deal with these issues and, despite having projects pending, the contractors are often seen participating in new tenders, with some winning these tenders as well. On the same note, the respondents suggested that increased SPB involvement in dealing with performance and contractual issues would help in delivery of government projects.

6.10 THE EXTENT OF CHALLENGES IN THE PUBLIC PROCUREMENT PROCESS-HUMAN RESOURCES

Section 7 of the questionnaire was compiled to measure the extent to which the entities experience human resources challenges, finance and budgeting challenges and challenges in the public procurement legal framework. This section looks at the first section on human resources challenges.

6.10.1 Human Resources Challenges

This section presents the frequencies of yes/no answers regarding the human resources issues whether they are challenges or not.

6.10.1.1 Insufficient number of staff in the procurement departments

Table 6.63 indicates that 89.1% of the respondents stated that an insufficient number of staff in their procurement departments is a challenge, with 10.9% of the respondents stating that it is not a challenge. Results from the first phase of the empirical research (see 5.5.1) reveal that this is attributed to the fact that procurement is not a strategic and stand-alone department but reports to the department of finance or administration, despite the strategic nature and importance in the delivery of public services.

Table 6.63: Insufficient number of staff in the procurement departments

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 7 | 10.9 | 10.9 |
| Is a challenge | 57 | 89.1 | 100 |

6.10.1.2 Lack of suitably qualified staff in public procurement

Of the respondents, 17.2% stated that lack of suitably qualified staff is not a challenge, while the remaining 82.8% agreed that it is a challenge (see Table 6.64). As stated in 6.13.1.1, the fact that the procurement sections of the entities report to other departments like finance, human resources and administration has aggravated the challenge; there is a belief "that anyone can do the work without having training in procurement". The first phase of the empirical research (see 5.5.1) shows that the majority of the staff manning the procurement departments has other qualifications, for example, in accounting and public administration.

Table 6.64: Lack of suitably qualified staff in public procurement

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 11 | 17.2 | 17.2 |
| Is a challenge | 53 | 82.8 | 100 |

6.10.1.3 Inadequate experience of procurement staff

As shown in Table 6.65, 84.4% of the respondents stated that inadequate experience in procurement is a challenge. The remaining 15.6% stated that it is not a challenge. As highlighted in 6.4.1.4, this can be attributed to the fact that procurement departments report to other departments and it is believed that that anyone can be a procurement officer.

Table 6.65: Inadequate experience of procurement staff

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 10 | 15.6 | 15.6 |
| Is a challenge | 54 | 84.4 | 100 |

6.10.1.4 Inappropriate recruitment methods for procurement staff

Of the respondents, 78.1% indicated that inappropriate methods in the recruitment of procurement staff are a challenge, while 21.9% stated that it is not a challenge (see Table 6.66). This can be attributed to the fact that, in terms of the Public Service Act, members of staff are seconded to the ministries from the public service commission database of registered job seekers and the ministries have no influence in the selection of the people; hence they are forced to work with whoever is available.

Table 6.66: Inappropriate recruitment methods for procurement staff

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 14 | 21.9 | 29.9 |
| Is a challenge | 50 | 78.1 | 100 |

6.10.1.5 Lack of public procurement training by the SPB

As shown in Table 6.67, 93.8% of the respondents stated that lack of training in public procurement procedures by the SPB is a challenge. The majority of the respondents who said that it is a challenge attributed this to the fact that the SPB does not initiate training or

continuously offer refresher courses in public procurement procedures as opposed to waiting for requests from individual entities. As the custodian and implementer of the country's public procurement laws, the SPB should always initiate training to expose and educate entities on the changes in the laws and their application.

Table 6.67: Lack of public procurement training by the SPB

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 4 | 6.2 | 6.2 |
| Is a challenge | 60 | 93.8 | 100 |

6.10.1.6 Procurement staff not belonging to professional bodies

The majority of the respondents, 90.6% (see Table 6.68) stated that the fact that they do not belong to professional bodies in procurement, for example, the Chartered Institute of Purchasing and Supply (CIPS) or the Chartered Institute of Logistics and Transport (CILT), is a challenge, as shown in 5.5.1 in the empirical research. This is because these bodies emphasise ethical and professional conduct of procurement staff and they highlight movements and changes in procurement and current trends in procurement in other countries and organisations, thus keeping procurement staff up to date. The respondents attributed this challenge to the unwillingness of their entities to pay for subscriptions for their staff despite having an appreciation of the how these bodies could equip procurement staff and train them in ethics.

Table 6.68: Procurement staff not belong to professional bodies

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 6 | 9.4 | 9.4 |
| Is a challenge | 58 | 90.6 | 100 |

6.10.1.7 Lack of knowledge on international public procurement practices

Table 6.69 shows that a lack of knowledge of international public procurement practices is a challenge, as perceived by the majority of respondents (92.2%). Training by the SPB would help the procurement staff to improve their own methods through appreciating international best practices and benchmarking their processes.

Table 6.69: Lack of knowledge on international public procurement process

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 5 | 7.8 | 9.4 |
| Is a challenge | 59 | 92.2 | 100 |

6.10.1.8 Lack of staff development incentives for procurement staff

As shown in Table 6.70, the majority of the respondents (93.8%) indicated that lack of staff development initiatives through the provision of refresher courses and workshops has hampered skills improvement in public procurement for personnel and this is a challenge. It was stated by 6.2% of the respondents that this is not a challenge. Coupled with lack of training by the SPB and absence of an organisational human resources policy on continuous training and staff development, this continues to be a challenge.

Table 6.70: Lack of staff development incentives for procurement staff

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 4 | 6.2 | 7.8 |
| Is a challenge | 60 | 93.8 | 100 |

6.10.1.9 Absence of code of conduct and ethics for procurement staff

Of the respondents, 89.1% stated that there is no code of conduct and ethics for procurement staff and that this is a challenge while 10.9% indicated that it is not a challenge (see Table 6.71). Absence of the code of conduct and ethics in the entities has resulted in many cases of staff misinterpreting the policies because of lack of appropriate knowledge and understanding of what is acceptable and what is not. The necessity for a code of conduct and ethics is also not covered in the Procurement Act and Regulations. Results from the first phase of empirical research reveal that this is exacerbated by staff's lack of training from the SPB, lack of qualifications and lack of experience in public procurement, as well as their not being members of professional bodies that place a significant emphasis on the importance of procurement ethics, like CIPS.

Table 6.71: Absence of code of conduct and ethics for procurement staff

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 7 | 10.9 | 7.8 |
| Is a challenge | 57 | 89.1 | 100 |

6.10.2 Testing of challenges in the human resources stage

The binomial test was used to test the significance of the challenges (see 6.5.2) and the test was done at the 5% level of significance. The following hypothesis was used:

Null hypothesis (H0): the proportion selecting each response option is not different from 0.5.

Alternative hypothesis (H1): the proportion selecting each response option is different from 0.5.

The null hypothesis is rejected if $p < 0.05$ otherwise the null hypothesis is accepted and it is concluded that the item is not a challenge at 5% level of significance.

It is clear from Table 6.72 that all the items are a challenge according to the responses received, since the p-value is less than 0.05 (i.e. $p < 0.05$). A summary of the results from the test are presented in Table 6.72.

Table 6.72: Human Resource Challenges

| | Human Resource Challenges | p-value | Decision |
|----|--|----------------|-----------------|
| 1 | Insufficient number of staff in the procurement department | <.0005 | Is a challenge |
| 2 | Lack of suitably qualified staff in public procurement | <.0005 | Is a challenge |
| 3 | Inadequate experienced procurement staff in | <.0005 | Is a challenge |
| 4 | Recruitment methods used for the recruitment of procurement staff | <.0005 | Is a challenge |
| 5 | Lack of organisational human resources policy on continuous training and staff development | <.0005 | Is a challenge |
| 6 | Lack of public procurement training by the SPB | <.0005 | Is a challenge |
| 7 | Procurement staff do not belong to a profession body, i.e. CIPS, CILT | <.0005 | Is a challenge |
| 8 | Lack of knowledge of international procurement practices | <.0005 | Is a challenge |
| 9 | Lack of staff development incentives for procurement staff | <.0005 | Is a challenge |
| 10 | No code of conduct and ethics for procurement staff | <.0005 | Is a challenge |

6.10.3 Extent of Challenges

Table 6.73 displays that the median of all the challenges is 4 and above. This means that they are all challenges to a greater extent. This is also evident from the distribution of the responses in Table 6.73 that reveals that a significant proportion of the challenges are in the upper quartile range (75%), which means that they are challenges to a larger extent. The percentages of valid cases for the challenges as shown in Table 6.72 are between 78 and 94%, which indicates that in the questionnaires, a large proportion of respondents are of the opinion that these are challenges.

As can be seen from Table 6.73, the lack of public procurement training by the SPB has the highest mean of 5.63 and recruitment methods used for the recruitment of procurement staff has the lowest mean of 3.74. The qualitative comments made by the respondents in the questionnaire reveal that these challenges could be attributed to the lack of relevant public procurement qualifications, lack of experience held by procurement staff and lack of training from the SPB on procurement processes and procedures. These challenges in turn affect the evaluation process in terms of the legal issues and expectations of the SPB. This is corroborated in 3.7.2 of the literature review, where it was found from a study conducted in

Sierra Leone that the country lacked appropriately qualified procurement staff and that insufficient training was given to personnel. This meant that staff members each had a different understanding of the public procurement process and procedures in the public sector. This resulted in inefficiencies such as poor specification of requirements, insufficient bidding documentation and procedures, poor contract management and increased costs of public procurement.

This was also found in Ghana (see 3.7.4), where a study revealed a number of weaknesses in government entities that provided poor service delivery. Some of the weaknesses included a shortage of qualified personnel in procurement departments, poor interpretation and articulation of provisions of the Public Procurement Act, lack of proper procurement procedures for emergency purchase, lack of proper procurement training institutions, lack of procurement planning and implementation, and contract management (Ghana Public Procurement Authority 2007; Quinot & Arrowsmith 2013:77). These weaknesses impacted negatively on public procurement performance (Ameyaw et al 2011:240).

The respondents in this study were of the opinion that quality of evaluations and procurement processes at the public entities could improve if training is provided by the SPB on public procurement procedures and regulations. Procurement staff does not belong to professional bodies, that is, CIPS and CILT (4.91). This means the staff is not exposed to training in the ethical issues which are emphasised by these professional bodies and therefore lack knowledge in international practices (4.36); these bodies also continuously update their members on current trends in the field, which keeps members up to date with what is happening in other countries in the area.

Lack of staff development incentives (5.0) has resulted in procurement staff viewing procurement as employment and not as a profession and, as indicated in the empirical research, this has resulted in poor motivation of procurement staff. This situation has been made worse by the fact that they are always told what to do by the SPB. As noted in 3.5, Eyaa and Oluka (2011:42) also affirm the lack of professionalism, suggesting that professionalism in public procurement could be achieved through taking procurement skills assessment and investing in staff development amongst other things.

The absence of a code of conduct and ethics for procurement staff (4.79) result in the promotion of corruption tendencies by procurement staff. Holtzhausen (2007:154)

emphasises that ethics are a critical element in the management of public activities as they play a pivotal role in enhancing transparency and accountability and result in the elimination and minimisation of corrupt behaviour. Hence, a strong ethical code of practice that can be used as a standard guide is needed.

Table 6.73 List and rankings of human resources challenges (N=64)

| | Challenges | Mean | Median | Quartiles | | No. of valid cases | % of valid cases |
|----|--|-------------|---------------|------------------|-----------|---------------------------|-------------------------|
| | | | | 25 | 75 | | |
| 1 | Insufficient number of staff in the procurement department | 4.35 | 5 | 2 | 6 | 57 | 89 |
| 2 | Lack of suitably qualified staff in public procurement | 4.36 | 5 | 3 | 6 | 53 | 83 |
| 3 | Inadequate experienced proc. staff in entities | 4.30 | 4 | 3.75 | 5 | 54 | 84 |
| 4 | Recruitment methods used for the recruitment of procurement staff | 3.74 | 4 | 2 | 6 | 50 | 78 |
| 5 | Lack of organisational human resources policy on continuous training and staff development | 4.75 | 5 | 3 | 6 | 59 | 92 |
| 6 | Lack of public procurement training by the SPB | 5.63 | 7 | 5 | 7 | 60 | 94 |
| 7 | Procurement staff do not belong to a professional body, i.e. CIPS, CILT | 4.91 | 5 | 4 | 7 | 57 | 89 |
| 8 | Lack of knowledge of international procurement practices | 4.36 | 5 | 2 | 6 | 59 | 92 |
| 9 | Lack of staff development incentives for procurement staff | 5 | 5.5 | 4 | 7 | 60 | 94 |
| 10 | No code of conduct and ethics for procurement staff | 4.79 | 5 | 3 | 6.5 | 57 | 89 |

Only the challenge of recruitment methods used for the recruitment of procurement staff detracts from service delivery (mean < 4) to a lesser extent, while the remaining challenges are challenges to a greater extent with mean > 4 (see Table 6.73).

Table 6.74: Human Resources Challenge: Wilcoxon Ranks Test

| | Challenges | Mean | p-value | Decision: extent of challenge |
|----|--|-------------|----------------|--|
| 1 | Insufficient number of staff in the procurement department | 4.35 | 0.254 | Greater Extent |
| 2 | Lack of suitably qualified staff in public procurement | 4.36 | 0.204 | Greater Extent |
| 3 | Inadequate experienced in procurement staff | 4.30 | 0.194 | Greater Extent |
| 4 | Recruitment methods used for the recruitment of procurement staff | 3.74 | 0.422 | Lesser extent |
| 5 | Lack of organisational human resources policy on continuous training and staff development | 4.75 | 0.002 | Greater Extent |
| 6 | Lack of public procurement training by the SPB | 5.63 | 0.000 | Greater Extent |
| 7 | Procurement staff do not belong to a profession body, i.e. CIPS, CILT | 4.91 | 0.002 | Greater Extent |
| 8 | Lack of knowledge of international procurement practices | 4.36 | 0.190 | Greater Extent |
| 9 | Lack of staff development incentives for procurement staff | 5 | 0.000 | Greater Extent |
| 10 | No code of conduct and ethics for procurement staff | 4.79 | 0.004 | Greater Extent |

6.10.4 Detract from service delivery

The majority of the respondents noted that the all challenges listed in Table 6.75 detract from service delivery with the exception of recruitment methods used for the recruitment of procurement staff where only 40% of the respondents stated that this detracts from service delivery. The results of this section are summarised in Table 6.75.

Table 6.75 shows that even though a significant proportion of the respondents agreed that the items present significant problems, the binomial tests reveal that not all these problems detract from service delivery. The following human resources problems present challenges that detract from service delivery: lack of suitably qualified staff in public procurement ($p=.018$); inadequate experienced in procurement staff ($p=.009$); lack of organisational human resources policy on continuous training and staff development ($p=0.04$); lack of public procurement training by the SPB ($p, <0.05$); procurement staff do not belong to a profession body, i.e. CIPS, CILT ($p, <0.05$); lack of staff development incentives for procurement staff ($p=0.04$) and absence of code of conduct and ethics for procurement staff ($p, <0.05$).

Table 6.75: Detracting from service: Human resources

| | | N=64 | Detracts from service (%age) | | Asymp. Sig. (2-tailed) |
|----|--|---------------------|------------------------------|------|------------------------|
| | Challenges | No. of Valid cases* | Yes | No | |
| 1 | Insufficient number of staff in the procurement department | 57 | 57.9 | 42.1 | .289 ^a |
| 2 | Lack of suitably qualified staff in public procurement | 53 | 67.3 | 31.7 | .018 ^a |
| 3 | Inadequate experienced in procurement staff | 54 | 68.5 | 31.5 | .009 ^a |
| 4 | Recruitment methods used for the recruitment of procurement staff | 50 | 40 | 50 | .203 ^a |
| 5 | Lack of organisational human resources policy on continuous training and staff development | 59 | 69.5 | 30.5 | .004 ^a |
| 6 | Lack of public procurement training by the SPB | 60 | 85 | 15 | .000 ^a |
| 7 | Procurement staff do not belong to a profession body, i.e. CIPS, CILT | 57 | 77.6 | 22.4 | .000 ^a |
| 8 | Lack of knowledge of international procurement practices | 59 | 57.6 | 42.4 | .298 ^a |
| 9 | Lack of staff development incentives for procurement staff | 60 | 78.3 | 21.7 | .000 ^a |
| 10 | No code of conduct and ethics for procurement staff | 57 | 70.2 | 29.8 | .000 ^a |

***Number of valid cases who indicated this to be a problem**

^a Based on Z Approximation

6.10.5 Analysis of Qualitative Comments: Human Resources.

It was indicated by 34% of the respondents (22 respondents) that the lack of relevant public procurement qualifications and experience or exposure, together with the lack of training from the SPB on how they evaluations should be done, is a challenge at entity level which

affects the evaluation process. The respondents remarked that they have not been trained with regard to evaluations by the SPB in terms of the legal issues and the expectations. It may be noted that 64% of the respondents (41) expressed an opinion that the quality of evaluations at the entities would improve if they were to get training on public procurement procedures and regulations by the SPB as well as on how evaluations should be done.

6.11 THE EXTENT OF CHALLENGES IN THE PUBLIC PROCUREMENT PROCESS–FINANCE AND BUDGETING CHALLENGES

This section looks at the second part of Section 7, namely the finance and budgeting challenges.

6.11.1 Finance and budgeting challenges

This section presents the frequencies of yes/no answers regarding the question whether the challenges in this section are challenges or not.

6.11.1.1 Failure to prepare budgets

Table 6.76 indicates that 76.6% of the respondents stated that failure to prepare budgets (annually, quarterly, and monthly) is a challenge while the remaining 23.4% stated that it was not. This failure to prepare regular budgets has resulted in procurement being carried out in a haphazard and ad hoc manner in the entities.

Table 6.76: Failure to prepare budgets

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 15 | 23.4 | 23.4 |
| Is a challenge | 49 | 76.6 | 100 |

6.11.1.2 Lack of procurement budgets

Of the respondents 81.2% indicated that lack of procurement budgets is a challenge that while 18.8% are of the opinion that it is not (table 6.77). As highlighted in 6.11.1.1, this lack of formal procurement planning has meant that procurement is not being carried out in an orderly manner, as indicated in 6.5.1.1, and has resulted in the adoption of wrong procurement methods, as discussed in 6.5.1.2.

Table 6.77: Lack of procurement budgets

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 12 | 18.8 | 18.8 |
| Is a challenge | 52 | 81.2 | 100 |

6.11.1.3 Late disbursements of finance for procurement

Of the respondents, a minority of 9.4% stated that late disbursements of finance are not a challenge, while the majority of 90.6% agreed that it is a challenge (see Table 6.78). Results from the first phase of the empirical research show that entities are not able to plan and budget for procurement effectively due to inconsistent disbursements from treasury and poor collection revenue generations as a result of the economic challenges the country is facing.

Table 6.78: Late disbursements of finance for procurement

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 6 | 9.4 | 9.4 |
| Is a challenge | 58 | 90.6 | 100 |

6.11.1.4 Inadequate budgetary allocations to procurement

As shown in Table 6.79, the majority of respondents (92.8%) stated that inadequate budgetary allocation to procurement is a challenge. The remaining 6.2% maintain that it is not a challenge. As discussed in 6.11.1.3, this can be attributed to the fact that disbursements from treasury are inconsistent and revenue generation levels for entities have dwindled because of the economic challenges experienced in the country. When resources are allocated late, the entities are under pressure to avert crises, resulting in their adopting wrong procurement methods and not meeting the legal requirements that have to be approved by the SPB in terms of the procurement regulations.

Table 6.79: Inadequate budgetary allocations to procurement

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 4 | 6.2 | 6.2 |
| Is a challenge | 60 | 92.8 | 100 |

6.11.1.5 Failure to procure on the basis of allocated budgets

The majority (92.2%) of the respondents indicated that failure to procure on the basis of allocated budgets is a challenge, while the remaining 7.8% stated that it is not a challenge (see Table 6.80). The economic challenges noted in 6.11.1.4 result in inadequate allocations from treasury causing a mismatch between budgetary allocations to procurement and the projected cost of procurement. Procuring entities go through the procurement process on the basis of expected allocations. In some cases the funds will not be disbursed in time and the entities then have the challenge of cancelling tenders. Tender cancellation has to get SPB approval which is not always granted.

Table 6.80: Failure to procure on the basis of allocated budgets

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 5 | 7.8 | 7.8 |
| Is a challenge | 59 | 92.2 | 100 |

6.11.2 Testing of challenges in the finance and budgeting stage

The binomial test was used to test the significance of the challenges (see 6.5.2) and the test was done at the 5% level of significance. The following hypothesis was used:

Null hypothesis (H0): the proportion selecting each response option is not different from 0.5.

Alternative hypothesis (H1): the proportion selecting each response option is different from 0.5.

The null hypothesis is rejected if $p < 0.05$, otherwise the null hypothesis is accepted and it is concluded that the item is not a challenge at the 5% level of significance.

Table 6.81: Challenges during the finance and budgeting stage

| | Challenges during finance and budgeting stage | p-value | Decision |
|---|--|----------------|-----------------|
| 1 | Failure to prepare budgets (annual, quarterly, monthly etc.) | <.0005 | Is a challenge |
| 2 | Lack of procurement budgets | <.0005 | Is a challenge |
| 3 | Late disbursements of finance for procurement | <.0005 | Is a challenge |
| 4 | Inadequate budgetary allocations to procurement | <.0005 | Is a challenge |
| 5 | Failure to procure on the basis of allocated budgets | <.0005 | Is a challenge |

6.11.3 Extent of Challenges

Table 6.82 demonstrates that, on a scale from 1-7, the median value is 4. Failure to prepare budgets is the only challenge that has a median value of 4. The challenges of the lack of procurement budgets, late disbursements of finance for procurement, inadequate budgetary allocations to procurement and failure to procure on the basis of allocated budgets have a median value of 6, indicating that these challenges detract from service delivery to a greater extent. The distribution of the responses (lower quartile and upper quartile) indicate that they range from 2 (lower quartile) to 7 (upper quartile). Of all the challenges, 75% of the responses have a quartile of 6, namely, failure to prepare budgets and lack of procurement budgets. The remaining three challenges have a quartile of 7, meaning they are challenges to a greater extent.

Table 6.82 below shows that inadequate budgetary allocations to procurement has the highest mean of 5.73, while failure to prepare budgets has the lowest of 3.94. The qualitative comments from the respondents reveal that budgetary constraints detract from service delivery but that this challenge is outside of the control of the SPB and the public entities – this is a national problem. It was also found from the literature review that financial challenges, such as insufficient budgets, are affecting public procurement performance in countries such as Sierra Leone. It was recommended that there is a need for an inclusive effort by all stakeholders with political and financial support to focus and improve public procurement policies, processes and procedures (NPPA 2008). It is hoped that the financial challenges in Zimbabwe will be minimised when the economic conditions improve.

Failure to prepare budgets (3.94) is a challenge that has resulted in haphazard procurement at the entities. As a result, as found from the interviews, tenders are published and the whole process is carried out to evaluation. It is only when the entity gets to the award and contract stage, that it is noticed that the funds have either not been budgeted for or are not available. This means that government time and effort is wasted in fruitless exercises. The failure to prepare budgets can also be attributed to the lack of procurement budgets (4.79) and inadequate budgetary allocations to procurement (5.73).

Table 6.82: List and rankings of finance and budgeting challenges (N=64)

| | Challenges | Mean | Median | Quartiles | | No. of valid cases | % of valid cases |
|---|--|-------------|---------------|------------------|-----------|---------------------------|-------------------------|
| | | | | 25 | 75 | | |
| 1 | Failure to prepare budgets (annual, quarterly, monthly etc.) | 3.94 | 4 | 3 | 6 | 49 | 77 |
| 2 | Lack of procurement budgets | 4.79 | 6 | 3 | 6 | 52 | 81 |
| 3 | Late disbursements of finance for procurement | 5.59 | 6 | 4.75 | 7 | 58 | 91 |
| 4 | Inadequate budgetary allocations to procurement | 5.73 | 6 | 4.25 | 7 | 60 | 94 |
| 5 | Failure to procure on the basis of allocated budgets | 5.53 | 6 | 5 | 7 | 59 | 92 |

The analysis (see Table 6.83) shows that failure to prepare budgets is a significant challenge and all the challenges are ranked to a greater extent (a mean greater < 4).

Table 6.83: Finance and budgeting: Wilcoxon signed rank test

| | Challenges | Mean | p-value | Decision: extent of challenge |
|---|--|-------------|----------------|--|
| 1 | Failure to prepare budgets (annual, quarterly, monthly etc.) | 3.94 | 0.178 | Lesser extent |
| 2 | Lack of procurement budgets | 4.79 | 0.011 | Greater extent |
| 3 | Late disbursements of finance for procurement | 5.59 | 0.000 | Greater extent |
| 4 | Inadequate budgetary allocations to procurement | 5.73 | .000 | Greater extent |
| 5 | Failure to procure on the basis of allocated budgets | 5.53 | 0.000 | Greater extent |

6.11.4 Detract from service delivery

As shown in Table 6.84, more than 86% of the respondents indicated that the challenge of inadequate budgetary allocations to procurement and failure to procure on the basis of allocated budgets detract from service delivery. The binomial tests in Table 6.84 reveal that out of the five challenges listed, only four detract from service delivery. These are: lack of procurement budgets ($p=0.08$); late disbursements of finance for procurement ($p<0.05$); inadequate budgetary allocations to procurement ($p<0.05$) and failure to procure on the basis of allocated budgets ($p<0.05$)

Table 6.84: Detract from Service Delivery: Finance and budgeting

| | | N=64 | Detracts from service (%age) | | Asymp. Sig. (2-tailed) |
|---|--|------------------------------------|---|-----------|-----------------------------------|
| | Challenges | No. of Valid cases* | Yes | NO | |
| 1 | Failure to prepare budgets (annual, quarterly, monthly etc.) | 49 | 53.1 | 46.9 | .775 ^a |
| 2 | Lack of procurement budgets | 52 | 69.2 | 30.8 | .008 ^a |
| 3 | Late disbursements of finance for procurement | 58 | 79.3 | 20.7 | .000 ^a |
| 4 | Inadequate budgetary allocations to procurement | 60 | 86.7 | 13.3 | .000 ^a |
| 5 | Failure to procure on the basis of allocated budgets | 59 | 86.4 | 13.6 | .000 ^a |

***Number of valid cases who indicated this to be a problem**

^a Based on Z Approximation

6.11.5 Analysis of Qualitative Comments: Finance and Budgeting.

Of the respondents, 45 % (29) indicated that the financial challenges faced by the country and late disbursements from finance for procurement are a challenge that detracts from service delivery. The respondents suggested that the solutions lie in improved economic conditions in the country. However, this is not a challenge which either the SPB or the entity can control.

6.12 THE EXTENT OF CHALLENGES IN THE PUBLIC PROCUREMENT PROCESS–PUBLIC PROCUREMENT LEGAL FRAMEWORK.

This section looks at the third part of Section 7 of the questionnaire dealing with public procurement legal framework challenges.

6.12.1 Public procurements legal framework challenges

This section determines whether the issues raised are challenges or not, the significance of the challenges as well as the extent to which they affect service delivery.

6.12.1.1 Lack of awareness of public procurement laws

Table 6.85 indicates that 89.1% of the respondents stated that lack of awareness of the public procurement laws is a challenge, while 10.9% of the respondents indicated that it is not. The Procurement Act and the Procurement Regulations detail the procurement policies and procedures to be adhered to in the public sector. The majority of the staff handling public procurement in the entities is not aware of the public procurement laws despite the fact that their daily activities are governed by them. Some staff has never made an effort read these documents even though they are available nationally and are filed in their offices.

Table 6.85: Lack of awareness of public procurement laws

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 7 | 10.9 | 10.9 |
| Is a challenge | 57 | 89.1 | 100 |

6.12.1.2 Failure to comprehend public procurement laws

Of the respondents, 6% stated that failure to comprehend the public procurement laws is not a challenge, while 90.6% agreed that it is a challenge (see Table 6.86). Related to 6.12.1.1, the lack of awareness of the public procurement laws is also a contributing factor to respondents' failure to comprehend the public procurement laws. This was also found in the results of the first phase of the empirical research (see 5.7.2) where it was stated that comprehension of the procurement laws is a challenge for most of the people manning public procurement offices. This is attributed to their lack of procurement qualifications and absence of training in public procurement.

Table 6.86: Failure to comprehend public procurement laws

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 6 | 9.4 | 9.4 |
| Is a challenge | 58 | 90.6 | 100 |

6.12.1.3 Poor structuring of procurement laws

As shown in Table 6.87, 87.5% of the respondents stated that the poor structuring of the public procurement laws is a challenge while the remaining 12.5% stated that it is not a challenge. The structuring of the laws assists in the comprehension of the laws and increases awareness on the part of the public procurement officers and procuring entities. Therefore, the need for public campaigns and awareness of the Public Procurement laws is apparent.

Table 6.87: Poor structuring of public procurement laws

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 8 | 12.5 | 12.5 |
| Is a challenge | 56 | 87.5 | 100 |

6.12.1.4 Absence of procurement procedure manuals

The majority of the respondents (82.8%) indicated that absence of procurement procedure manuals is a challenge while 17.2% stated that it is not a challenge (see Table 6.88). This results in entities using wrong procurement methods and cycles for different situations. As a result, entities are reprimanded by the SPB for having assumed wrong procurement methods and, at the same time, the public is deprived of essential services. Procurement procedure

manuals are internal documents that help in detailing the procurement processes to be used in different types of situations in the entities and that act as a guideline directing the procurement officers in carrying out procurement. For public entities the manuals will be designed to reflect the public procurement laws as the procurement methods and cycles are governed by the procurement regulations and thus are intended to prevent the making of errors in the procurement process.

Table 6.88: Absence of procurement manuals

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 11 | 17.2 | 17.2 |
| Is a challenge | 53 | 82.8 | 100 |

6.12.1.5 Lack of access to the procurement regulations

As shown in Table 6.89, the majority of the respondents (76.6%) stated that the lack of access to procurement regulations is a challenge with the remaining 23.4% stating that it is not. The results of the first phase of the study (see 5.7.1) indicated that respondents were not sure or did not know where the laws could be accessed. These respondents expect to be given relevant documents by their own principals (the ministry or entity) or by the SPB. However, these documents are readily available at minimal cost to the public through the government printers (Printflow Pvt Ltd), who have offices around the country.

Table 6.89: Lack of access to the procurement regulations

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 15 | 23.4 | 23.4 |
| Is a challenge | 49 | 76.6 | 100 |

6.12.1.6 Lengthy procurement procedures (S.I. 171 of 2002)

A significant number of respondents (90.6%) stated that the procurement procedures required to be followed in terms of the Procurement Regulations (S.I. 171 of 2002) is a challenge (see Table 6.90). The results from the first stage of the empirical research (5.8) show that this challenge is due to the fact that the law requires that all processes and activities in the public procurement process be approved by the SPB, from the preparation of the RFP to the award up to the contract. Even direct purchases or SFTs need to get authorisation from the SPB. As

a result the process from the preparation of the RFP to award and contract signing can take up to three months. If bidders appeal the results of the tender, the whole process will be longer, depending on how quickly the case is heard.

Table 6.90: Procurement procedures required by law too lengthy

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 6 | 9.4 | 9.4 |
| Is a challenge | 58 | 90.6 | 100 |

6.12.1.7 Inadequacy of thresholds

The procurement thresholds used in public procurement exist in terms of S.I. 160 of 2012 and govern the level at which procuring entities can procure, with or without the involvement of the SPB.

Table 6.91 shows that the inadequacy of procurement thresholds is a challenge as evidenced by the majority of respondents (84.4%). The fact that all purchases above US\$300 000 in terms of the law have to go through the SPB means that the majority of the entities' procurement processes have to be approved by the SPB. This means that it can take up to three month to conclude a purchase (see 5.8.1.3).

Table 6.91: Inadequacy of thresholds

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 10 | 15.6 | 15.6 |
| Is a challenge | 54 | 84.4 | 100 |

6.12.1.8 Centralisation of authority at SPB

It is clear from Table 6.92 that the majority of the respondents (93.8%) indicated that centralisation of authority at SPB is a challenge. As supported by the results from the first phase of the study, the entities raised concern that centralisation of authority at the SPB is the principal reason for the delays in the public procurement process, as shown in 5.8, where all activities in the public procurement process required SPB approval. It was also stated that the legal requirements to have all the stages in the process approved by the SPB are the main reasons for delay of government projects, coupled with a lack of resources at the SPB to carry

out essential activities, such as procurement audits, contract monitoring and supplier appraisals.

Table 6.92: Centralisation of authority at SPB

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 4 | 6.2 | 6.2 |
| Is a challenge | 60 | 93.8 | 100 |

6.12.1.9 Lack of training for public procurement regulations by the SPB

As shown in Table 6.93, a significant number of respondents (95.3%) stated that the lack of training of public procurement laws is a challenge. Given the inadequate number of staff trained in public procurement in the participating entities, public procurement officers will benefit from training offered by the SPB.

Table 6.93: Lack of training on public procurement laws by SPB

| | N = 64 | %age | Cumulative %age |
|-----------------|---------------|-------------|----------------------------|
| Not a challenge | 3 | 4.7 | 4.7 |
| Is a challenge | 61 | 95.3 | 100 |

6.12.2 Testing of challenges in the public procurement legal framework

The significance of the challenges was tested using the binomial test at 5% level of significance. The following hypothesis was used:

Null hypothesis (H0): the proportion selecting each response option is not different from 0.5.

Alternative hypothesis (H1): the proportion selecting each response option is different from 0.5.

The null hypothesis is rejected if $p < 0.05$ otherwise the null hypothesis is accepted and it is concluded that the item is not a challenge at the 5% level of significance.

Table 6.94 shows that all the items are a challenge according to the responses, since the p-value is less than 0.05 (i.e. $p < 0.05$).

Table 6.94: Public Procurement legal framework challenges

| | Challenges during the preparation stage | p-value | Decision |
|---|---|----------------|-----------------|
| 1 | Lack of awareness of the public procurement laws | <.0005 | Is a challenge |
| 2 | Failure to comprehend the public procurement laws | <.0005 | Is a challenge |
| 3 | Poor structuring of the procurement laws | <.0005 | Is a challenge |
| 4 | Unavailability of procurement procedure manuals | <.0005 | Is a challenge |
| 5 | Lack of access to the procurement regulations | <.0005 | Is a challenge |
| 6 | Long process and procedures required by law (S.I 171 of 2002) | <.0005 | Is a challenge |
| 7 | Inadequacy of thresholds (S.I. 160 of October 12, 2012) | <.0005 | Is a challenge |
| 8 | Centralisation of authority at SPB | <.0005 | Is a challenge |
| 9 | Lack of training on the regulations by the SPB | <.0005 | Is a challenge |

As can be seen from Table 6.95 on the median values, lack of access to the procurement regulations is the only challenge at 3 and unavailability of procurement procedure manuals at 4, with all other challenges ranging from 5 to 6 on a scale from 1-7. This indicates that a larger proportion of the challenges are a challenge to a greater extent. The distribution of the responses shows that a significant proportion of the responses to the challenges are in the upper quartile range (75%) with values from 6 to 7, with the exception of lack of access to the procurement regulations at 4.5. The valid cases and percentage values explain the responses and response rate for each challenge and the percentages of valid cases range from 77% to 94%, which shows high response rate for each of the challenges.

Results from the first phase of the empirical study and the comments in the qualitative section in the questionnaire reveal that service delivery suffers because of the long and bureaucratic public procurement process (5.10). This can be attributed to the legal and procedural requirement to involve the SPB at every stage of the public procurement process. As indicated in 6.12.1.8, the procurement authority is centralised at the SPB.

The participants and respondents of this study are of the opinion that the public procurement law should be reformed to limit the powers of the SPB and allow the entities handle the procurement process and the decision making. Should this happen, it would allow the SPB to concentrate on issues such as monitoring and supervising of entities, training procurement

staff and conducting procurement audits. In other words, the SPB would assume the role of an oversight authority of the public procurement process. It was shown in 3.7.2.1 that the decentralisation focus that was implemented in Sierra Leone resulted in the NPPA developing a new role in setting policies and regulations and monitoring their implementation within the ministries and entities of government (GoSL 2011:3). The same initiative yielded success in Malawi as, according to the OECD/DAC (2008) report on Malawi, a number of changes to the public procurement process were introduced by the ODPP, including the complete decentralisation of the public procurement process to each procuring public entity. As seen from Table 6.95, the challenge of centralisation of authority at SPB has a highest mean value of 5.68.

Lack of awareness of the public procurement laws (4.61) is identified as a challenge in the public procurement process because a significant number of officers in the entities are not aware of the public procurement laws (89.1%). This is despite the fact that these are widely available from the government printers (Printflow Pvt Ltd). Failure to comprehend the procurement laws (4.71) can be attributed to the officers' lack of training in the public procurement laws by the SPB, as discussed in 6.10.1.5 and as found from the interviews. Officers have difficulty in understanding legal language, hence the need for training in public procurement laws and regulations. This is corroborated by Onyinkwa (2013:571), who remarks that poor knowledge of the law is one of the hindrances to the implementation of public procurement laws in Ghana. Quinot and Arrowsmith (2013:77) add that identified weaknesses in public procurement in Ghana include poor interpretation and articulation of provisions of the PPA (Ghana 2003), a situation similar to Zimbabwe. In addition, results from the first phase of the study indicate that the poor comprehension of the procurement laws is attributed to the poor structuring of these laws (4.48), which the respondents remarked should be expressed in layman-friendly language.

The unavailability of procurement procedure manuals (4.55) has resulted in procurement officers using different, and often inappropriate, procurement methods for similar situations. This is because the unavailability of such manuals has resulted in the unavailability of clear guidance on the application of the regulations. This was highlighted in the first phase of empirical research. Procurement manuals are derived from the procurement regulations and therefore it is recommended that proper training be given by the SPB to the entities on the laws and the formulation of procurement procedure manuals.

Lack of access to the procurement regulations (3.41) is a challenge that detracts from service delivery to a lesser extent. Respondents during the first phase of the interviews indicated that the laws are readily available but that officers are not doing enough to obtain them. It is therefore recommended that these pieces of legislation be made available at no cost to all government entities to increase awareness and access thereof.

Inadequacy of thresholds (5.11) is a challenge that detracts from service delivery. In Ghana, for example, Balaba (2012) found that thresholds are no longer adequate for the entities' requirements and he suggested that the public procurement process needed to be streamlined through increasing tender thresholds and that the procurement authority also be decentralised. This was also suggested by the participants during the first phase of this study.

Table 6.95: List and rankings of legal framework challenges (N=64)

| | Challenges | Mean | Median | Quartiles | | No. of valid cases | % of valid cases |
|---|---|-------------|---------------|------------------|-----------|---------------------------|-------------------------|
| | | | | 25 | 75 | | |
| 1 | Lack of awareness of the public procurement laws | 4.61 | 5.00 | 3.00 | 6.00 | 57 | 89 |
| 2 | Failure to comprehend the public procurement laws | 4.71 | 5.00 | 3.75 | 6.00 | 58 | 91 |
| 3 | Poor structuring of the procurement laws | 4.48 | 5.00 | 3.00 | 6.00 | 56 | 88 |
| 4 | Unavailability of procurement procedure manuals | 4.55 | 4.00 | 3.00 | 6.00 | 53 | 83 |
| 5 | Lack of access to the procurement regulations | 3.41 | 3.00 | 2.00 | 4.50 | 49 | 77 |
| 6 | Long process and procedures required by law (S.I 171 of 2002) | 5.21 | 6.00 | 4.00 | 7.00 | 58 | 91 |
| 7 | Inadequacy of thresholds (S.I. 160 of October 12, 2012) | 5.11 | 5.50 | 4.00 | 7.00 | 54 | 84 |
| 8 | Centralisation of authority at SPB | 5.68 | 6.00 | 5.00 | 7.00 | 59 | 92 |
| 9 | Lack of training on the regulations by the SPB | 5.15 | 5.00 | 4.00 | 7.00 | 60 | 94 |

6.12.3 Testing the extent of challenges

As explained in 6.5.3.2, the extent of the challenges was tested using the Wilcoxon signed rank test. The analysis from the test reveals that the lack of access to the procurement regulations is the only challenge ranked to a lesser extent. All the other challenges are challenged ranked to a greater extent (see Table 6.96).

Table 6.96: Public Procurement Legal framework challenges: Wilcoxon signed rank test

| | Challenges | Mean | P-value | Decision: extent of challenge |
|---|---|-------------|----------------|--|
| 1 | Lack of awareness of the public procurement laws | 4.61 | 0.011 | Greater extent |
| 2 | Failure to comprehend the public procurement laws | 4.71 | 0.004 | Greater extent |
| 3 | Poor structuring of the procurement laws | 4.48 | 0.062 | Greater extent |
| 4 | Unavailability of procurement procedure manuals | 4.55 | 0.029 | Greater extent |
| 5 | Lack of access to the procurement regulations | 3.41 | 0.036 | Lesser extent |
| 6 | Long process and procedures required by law (S.I 171 of 2002) | 5.21 | 0.000 | Greater extent |
| 7 | Inadequacy of thresholds (S.I. 160 of October 12, 2012) | 5.11 | 0.000 | Greater extent |
| 8 | Centralisation of authority at SPB | 5.68 | 0.000 | Greater extent |
| 9 | Lack of training on the regulations by the SPB | 5.15 | 0.000 | Greater extent |

6.12.4 Detract from Service delivery

Table 6.97 shows that the majority of the respondents (88.3%) indicated that centralisation of authority at SPB detracts from service delivery. Of the respondents, 83% indicated that inadequacy of thresholds and 70.2% that a lack of awareness of the public procurement laws also detract from service delivery.

As seen in Table 6.97, a significant percentage of respondents agreed that the listed public procurement legal framework problems present challenges in the public procurement process. The binomial tests reveal (Table 6.97) reveal that all the challenges detract from service

delivery. These include: that is, lack of awareness of the public procurement laws ($p = .003$; failure to comprehend the public procurement laws ($p = .001$; poor structuring of the procurement laws ($p = 0.044$); unavailability of procurement procedure manuals ($p = .001$); lack of access to the procurement regulations (0.044); long process and procedures required by law (S.I 171 of 2002) ($p < 0.05$); inadequacy of thresholds (S.I. 160 of October 12, 2012) ($p < .005$); centralisation of authority at SPB ($p, < 0.05$) and; lack of training on the regulations by the SPB ($p, < 0.05$).

Table 6.97: Detract from service: Public Procurement legal framework challenges

| | | N=64 | Detracts from service (%age) | | |
|---|---|---------------------|------------------------------|------|------------------------|
| | Challenges | No. of Valid cases* | Yes | No | Asymp. Sig. (2-tailed) |
| 1 | Lack of awareness of the public procurement laws | 57 | 70.2 | 29.8 | .003 ^a |
| 2 | Failure to comprehend the public procurement laws | 58 | 72.4 | 27.6 | .001 ^a |
| 3 | Poor structuring of the procurement laws | 56 | 64.3 | 35.7 | .044 ^a |
| 4 | Unavailability of procurement procedure manuals | 53 | 73.6 | 26.4 | .001 ^a |
| 5 | Lack of access to the procurement regulations | 49 | 34.7 | 65.3 | .044 ^a |
| 6 | Long process and procedures required by law (S.I 171 of 2002) | 58 | 74.1 | 29.9 | .000 ^a |
| 7 | Inadequacy of thresholds (S.I. 160 of October 12, 2012) | 54 | 83.3 | 16.7 | .000 ^a |
| 8 | Centralisation of authority at SPB | 59 | 88.3 | 11.7 | .000 ^a |
| 9 | Lack of training on the regulations by the SPB | 60 | 73.3 | 26.7 | .000 ^a |

***Number of valid cases who indicated this to be a problem**

^a Based on Z Approximation

6.12.4 Analysis of Qualitative Comments: Public Procurement Legal Framework.

Of the respondents, 39% (25) were of the opinion that service delivery suffers because public procurement is a long and bureaucratic process, a result of the legal and procedural requirement to involve the SPB in every stage of the public procurement process, that is, from the approval of the RFP and the advertisement, through the determination of publication

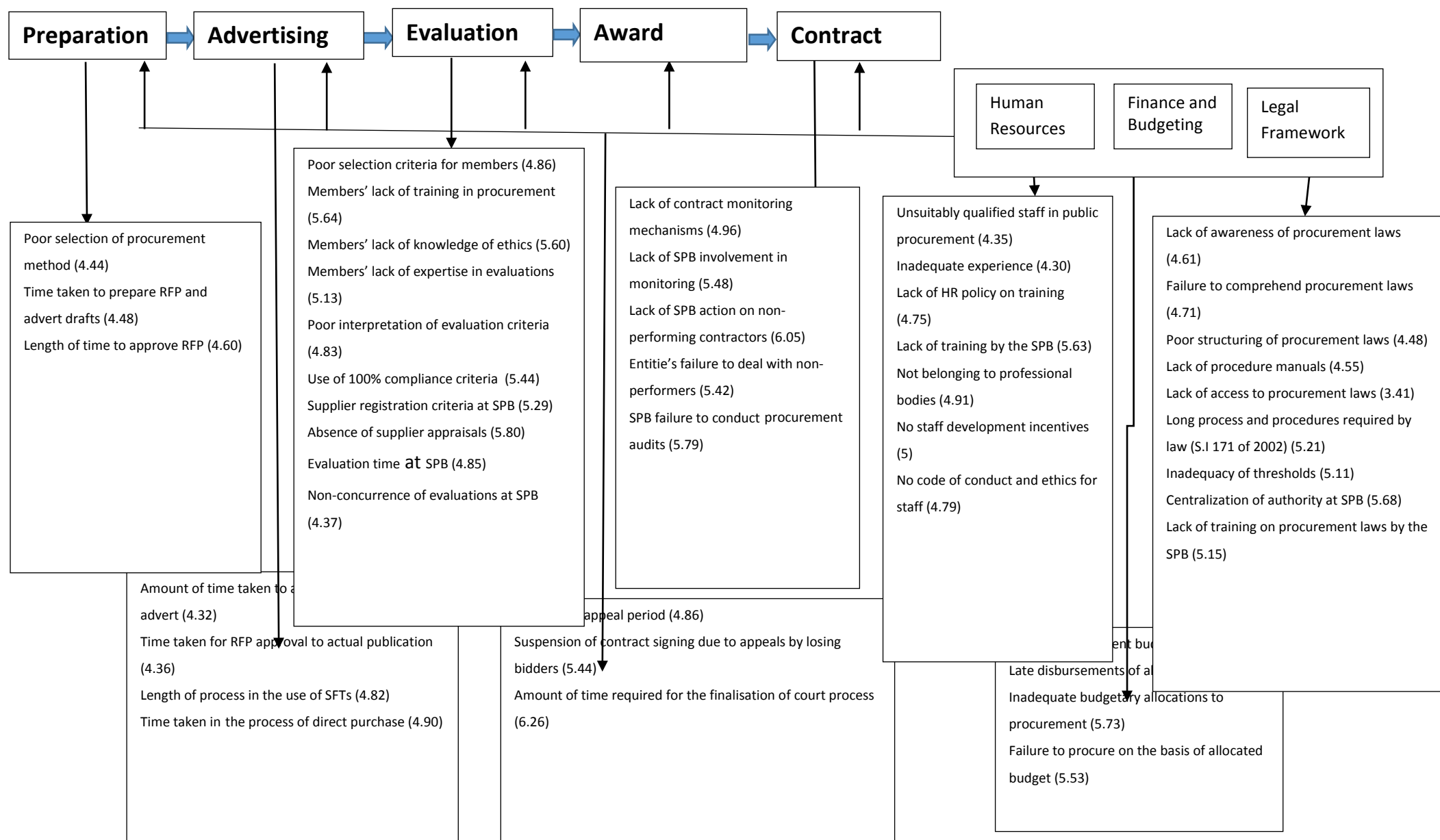
and closing dates, the evaluation of tenders and determination of who is awarded the tender and notification of award to contracting and contract monitoring.

Of the respondents, 73% (47) stated that the main challenge that detracts from service delivery in the public sector is the centralisation of procurement power at the SPB, which demands the involvement of the SPB in every stage and activity of the public procurement process. The respondents suggested the need to reform the public procurement law to limit the powers of the SPB and to let the entities handle the procurement process and the decision making. This would allow the SPB to concentrate on issues such as monitoring, supervision, training and conducting procurement audits. In other words, it could assume the role of overseer of the public procurement process.

6.13 SUMMARY OF CHALLENGES

Figure 6.3 presents a summary of the identified challenges in the public procurement process, indicating the relative mean of each challenge. The means indicate that most of the challenges identified by respondents are challenges to a larger extent that detract from service delivery with regard to all the procurement stages as well human resources, budgeting and the public procurement legal framework. However, not all these challenges detract from service delivery.

Figure 6.3: Summary of Challenges



6.14 CONCLUSION

This chapter has provided an in-depth discussion of the analysis and validation of the data collected from the questionnaires. The data were analysed by means of descriptive statistics and non-parametric analysis. The findings indicate that 54.7% of respondents are employed at procurement manager level, with 35.9% employed at administration officer/procurement officer level and the remainder at director level, all being participants in the public procurement process. According to the findings, 71.9% of the respondents are male, while 28.1% are female. Manual procurement systems are used by 64.1% of the entities, while 32.9% use a computerised system. The findings also indicate that 82.8% of the entities view procurement as a tactical function, while 17.2% view it as a strategic function.

The significance of the challenges was tested for all stages using the binomial tests. The binomial test is an exact test of the statistical significance of deviations from a theoretically expected distribution of observations into two categories. The test is done at the 5% level of significance. The test value of 0.05 is used to test the proportion of respondents who said it is a challenge against those who said it is not and of the p values on all the challenges a significant proportion were less than 0.05.

The extent of challenges was tested using the Wilcoxon signed rank test, which indicated that the majority of the challenges are challenges to a greater extent. The Wilcoxon signed rank test is a non-parametric test that can be used in place of a single sample t-test to test whether an average score is significantly different from a scalar. In this study, challenge mean values were tested on whether the average value is significantly different from a value of 4 (the central score). A p-value of <0.05 shows that it is significantly different from 4.

Lastly, binomial tests were conducted to determine whether a significant proportion of respondents agreed that the identified items present problems that detract from service delivery. The binomial test is an exact test of the statistical significance of deviations from a theoretically expected distribution of observations into two categories. The test is done at the 5% level of significance.

Once all the research objectives were achieved, suggestions and recommendations could be made. This concludes Chapter 6. The next chapter deals with the recommendations based on the findings of this research study, the limitations of the study, directions for future research and the contribution of this research study.

CHAPTER 7: SUMMARY, RECOMMENDATIONS, CAVEATS AND SUGGESTIONS FOR FUTURE RESEARCH

7.1 INTRODUCTION

The previous chapter presented the results of the analysis of the data obtained from the questionnaires and discussed the findings. This concluding chapter provides the summary, recommendations, limitations and suggestions for future research.

The primary objective of this research study was to identify the challenges in the public procurement process that detract from achieving service delivery in Zimbabwe. Once these challenges were identified, their extent and significance was determined by using descriptive statistics and rankings. The quantitative data collected through the questionnaires were coded and summarised into frequency distribution and graphs and tabulated for ease of analysis, using SPSS. Descriptive statistics were used to explore the data collected and to summarise and describe these data. Data for mean, median, quartiles and number of valid cases were provided and Wilcoxon signed ranks tests were applied to test whether the median score is significantly different from a central score of 4.

The aim of this chapter is to identify and suggest possible solutions to the stakeholders in the public sector regarding how to address the challenges that detract from service delivery identified in this study. Firstly, the chapter revisits the research questions and objectives and addresses how these have been achieved. Thereafter, the findings of the rankings of challenges in the public procurement process that detract from service delivery are dealt with in 7.3. This section also suggests recommendations as to how these challenges could be resolved.

7.2 THE RESEARCH QUESTIONS AND OBJECTIVES

7.2.1 The Research Question

What are the challenges in the public procurement process that detract from achieving service delivery in Zimbabwe?

The research question is split into sub questions which help in the answering of the main research question as follows:-

1. How does the public procurement system operate in Zimbabwe?

2. What are the challenges in the procurement process that negatively affect service delivery in Zimbabwe?
3. To what extent are these challenges experienced?
4. How can these challenges be explained?
5. How can these challenges be overcome?
6. How can the public procurement process be improved to enhance service delivery?

7.2.2 Research Objectives

7.2.2.1 Primary objective

The primary objective of the study is to identify the challenges in the procurement process that detract from achieving service delivery in Zimbabwe.

7.2.2.2 Secondary objectives

The secondary objectives of the study are as follows:

1. To provide insight into the public procurement process in Zimbabwe;
2. To identify challenges in the procurement process that negatively impact service delivery in Zimbabwe (through a qualitative investigation including in-depth semi-structured interviews);
3. To determine the extent of these challenges experienced (through a quantitative investigation by means of a questionnaire);
4. To explain the reasons for these challenges (through a qualitative section included in the questionnaire);
5. To identify and suggest recommendations to stakeholders in the public procurement sector in Zimbabwe to overcome the identified challenges; and
6. To identify and suggest to stakeholders in the public procurement sector how the procurement process could be improved to enhance service delivery.

The research questions were answered by dissecting the public procurement process as indicated in Table 7.1 below.

Table 7.1: Overview of how objectives were achieved

| | Objective | Achieved |
|----|--|--|
| 1. | To provide insight into the public procurement process in Zimbabwe | An overview of public procurement in Zimbabwe was given in 2.5.1, while 2.6.1 discussed the objectives of public procurement. In 2.7, an insight was provided into the public procurement process in Zimbabwe explaining all the stages involved in the public procurement process in Zimbabwe. |
| 2. | To identify challenges in the procurement process that negatively impact service delivery in Zimbabwe | Chapter 5 identified the challenges in the public procurement that impact on service delivery in Zimbabwe and these were summarised in 5.9 and Table 5.16. The challenges were identified through interviewing five participants. The interviews were used (Phase I of empirical research) as a basis for identifying challenges for further research in the Phase II of empirical research). |
| 3. | To determine what the extent is of these challenges | Chapter 6 examined whether the challenges listed in the questionnaire are challenges, the extent of the identified challenges and whether they detract from service delivery. The objective was achieved through the use of a questionnaire that was administered to all public entities. The questionnaire included a 7 point Likert scale to determine the extent of these challenges experienced. |
| 4. | To explain the reasons for these challenges | Chapter 6 explained the reasons for these challenges. A comments section was included in the questionnaire to ascertain from respondents the possible reasons for the challenges. The reasons were derived from the comments from the respondents as well as from the interviews conducted in the Phase I of empirical research and from the literature review in Chapter 3. |
| 5. | To identify and suggest recommendations to stakeholders in the public procurement sector in Zimbabwe to overcome the identified challenges | Recommendations to the stakeholders to overcome the identified challenges were provided in 7.3. |
| 6. | To identify and suggest to stakeholders in the public procurement sector how the procurement process could be improved to enhance service delivery | Suggestions to stakeholders on how the public procurement process could be improved in order to enhance service delivery were provided in 7.4. |

7.3 DISCUSSION OF AND RECOMMENDATIONS REGARDING THE MAIN IMPORTANT FINDINGS IN THE STATISTICAL ANALYSES

As indicated in the introduction, the primary aim of this study was to identify the challenges in the public procurement process that detract from achieving service delivery in Zimbabwe and to determine the extent of these challenges. The aim of this section is to identify and suggest recommendations to stakeholders in the public procurement sector in Zimbabwe in order to overcome the identified challenges that detract from service delivery. While in all the sections challenges were identified, this section explores the challenges, the challenges which were found to be significant challenges (with a mean above 4) and those which detract from service delivery.

7.3.1 Major findings and recommendations-preparation stage

Table 7.2: Challenges: Preparation Stage

| | Challenges during the preparation stage | Mean | Detracts from Service Delivery |
|---|---|------|--------------------------------|
| 1 | Lack of procurement plans | 3.70 | No |
| 2 | Poor selection of appropriate procurement method | 4.44 | Yes |
| 3 | Inadequacy of procurement thresholds for the operations | 4.48 | No |
| 4 | Lack of standard bidding documents | 3.38 | No |
| 5 | Lack of expertise in the preparation of the RFP | 4.07 | No |
| 6 | Length of time taken to prepare a draft RFP and advertisement and submit to SPB | 4.48 | Yes |
| 7 | Length of time taken to approve RFP at SPB | 4.60 | Yes |
| 8 | Lack of technical expertise to approve RFPs at SPB | 3.98 | No |
| 9 | Lack of training on preparation of RFPs by SPB | 4.75 | No |

Table 7.2 shows that three of the challenges in this section detract from service delivery. This indicates that all the challenges which detract from service delivery were also significant challenges (with a mean above 4) except lack of procurement plans.

As indicated in Table 7.2, poor selection of an appropriate procurement method has a mean of 4.44 and is a challenge that detracts from service delivery. This has been attributed to lack of training in public procurement by the SPB, as indicated in the first phase of the empirical research and as discussed in 6.5.5 in this study. Therefore, in order to overcome this

challenge, it is recommended that the SPB takes the initiative and a more proactive approach in terms of training and of making the entities aware of the public procurement procedures. Inadequacy of thresholds for the entities operations (mean of 4.48) has resulted in the need for entities to continuously consult and go back and forth to the SPB, thus lengthening the time of the procurement process (see 6.12.1.7). Balaba (2012) suggests that the thresholds should be increased to levels that compare with current economic and operational conditions, characterised by high cost structures of supplies from the current US\$300 000 for goods and services and US\$1 million for construction tenders to US\$1 million and US\$10 million dollars respectively. Secondly, as suggested in 6.12.5, there is a need to reform the public procurement law to limit the powers of the SPB and let the entities handle the procurement process and the decision making. The SPB should be left to concentrate on issues such as monitoring, supervision, training, and conducting procurement audits.

Lack of expertise in the preparation of the RFP (4.07) and length of time taken to prepare a draft RFP and advertisement and submit to SPB (4.48) is as a result of lack of proper training in public procurement procedures by the SPB (4.75). Therefore, in order to overcome this challenge, it is recommended that the SPB takes the initiative and a more proactive approach in terms of training and making the entities aware of the public procurement procedures. This is a better option than for the SPB to take corrective action when entities fail to prepare proper tender documents, as discussed in 6.5.5 in this study.

The length of time taken to approve RFP at SPB (4.60) is significantly long as indicated in 6.5.5. The tender document approval process takes from two weeks to one month. It is recommended that standard bidding documents be developed to eliminate inconsistencies in the preparation of tender documents by the procuring entities and approval of tender documents at the SPB. With the availability of standard bidding documents, proper training of entities and decentralisation of the procurement authority to the entities will result in the elimination of the need to have the documents submitted to the SPB for approval.

7.3.2 Major findings and recommendations-advertising stage

Table 7.3: Challenge: Advertising Stage

| | Challenges during the preparation stage | Mean | Detracts from Service Delivery |
|---|--|-------------|---------------------------------------|
| 1 | Delay in determining of publication and closing dates at SPB | 3.59 | No |
| 2 | Amount of time taken to approve the RFP and advertisement | 4.32 | Yes |
| 3 | The amount of time taken from RFP approval to the actual publication | 4.36 | Yes |
| 4 | The length of process taken in the use of SFTs | 4.82 | Yes |
| 5 | The time taken in the process of using direct purchase | 4.90 | Yes |
| 6 | The length of process followed in the use of approved lists | 4.51 | Yes |

Table 7.3 shows that five of the challenges in this section detract from service delivery. This indicates that all the challenges which detract from service delivery were also significant challenges (with a mean above 4).

The amount of time taken to approve RFPs and advertisements at the SPB is a challenge that detracts from service delivery (mean 4.32). This process can take up to a month and this has been attributed to the lack of technical and human resources capacity at the SPB. This lack of technical and human resources has resulted in the need to continuously go back and forth for clarifications at the SPB. Therefore it is recommended that the process of approving of the documents be delegated to the procuring entities, as discussed in 6.12.5, through the decentralisation of the procurement authority to the entities. The SPB could then take on the role of overseer authority. As indicated in 6.5.5, the use of standard bidding documents also results in the elimination of the need to have the RFPs and advertisements approved by the SPB; this is where the bottlenecks are.

The amount of time taken from RFP approval to the actual publication (mean of 4.36) due to the inflexible legal requirements that tenders should first be published in the government gazette is a challenge that detracts from service delivery. This challenge has resulted in the prolonging of the procurement process. For example, failure to pay on Monday for the advertisement to be placed in the gazette on Friday means that the advertisement will be placed one week later. It is recommended that tenders should be payable on any day of the

week (during working hours) to improve flexibility. In other words, if a tender document is approved on a Tuesday, the advertisements should be able to be paid for on Wednesday or Thursday for possible Friday publication in the government gazette.

The length of process taken for the use of SFTs (mean of 4.82), the time taken in the process of using direct purchase (mean of 4.90) and the length of the process followed in the use of approved lists (mean of 4.51) are long. These delays are attributed to the need to have all of them approved by the SPB. While there are procurement methods which are suitable for special circumstances like urgency, specialised purchases or proprietary purchases, the delayed process defeats the purpose. It is recommended that the procuring entities be granted the authority to supervise and conclude these processes in order to reap the expected benefits of urgency of these methods. The SPB could take on the role of monitoring procurement processes and conduct regular audits at the entities.

The statistics in Table 7.3 indicate that the most significant challenge emanates from the amount of time taken to approve the activities in the advertising stage. It was also indicated in 6.6.4 that the involvement of the SPB in the approval of advertisements and determining the publication and closing period of tenders are challenges that delay the public procurement process. It is recommended that the activities be decentralised to the procuring entities in order to hasten the process; such decentralisation will be made possible if the public procurement regulatory framework is revised to embrace it.

7.3.3 Major findings and recommendations-Bid Evaluation stage

Table 7.4: Challenge: Bid Evaluation Stage

| | Challenges during the preparation stage | Mean | Detracts from Service Delivery |
|----|---|-------------|---------------------------------------|
| 1 | Amount of time taken to be invited to collect tender documents | 3.91 | No |
| 2 | Inadequate amount of time provided to evaluate tenders at entity level | 3.96 | No |
| 3 | The number of people involved in the evaluation process at entity level | 3.93 | No |
| 4 | Poor selection criteria for procurement committee members | 4.86 | Yes |
| 5 | Evaluation team members' lack of training in procurement | 5.64 | Yes |
| 6 | Evaluation team members lack of knowledge of procurement ethics | 5.60 | Yes |
| 7 | Evaluation team members' lack of expertise in tender evaluation | 5.13 | Yes |
| 8 | Poor interpretation of evaluation criteria | 4.83 | Yes |
| 9 | The use of 100% compliance award criteria | 5.44 | Yes |
| 10 | Supplier approved list registration criteria at SPB | 5.29 | Yes |
| 11 | Absence of supplier appraisals and rating | 5.80 | Yes |
| 12 | Amount of time taken for evaluation at SPB | 4.85 | Yes |
| 13 | Non-concurrence of entity and SPB evaluation | 4.37 | Yes |

Table 7.4 shows that 10 out the 13 challenges in this section detract from service delivery. This indicates that all the challenges which detract from service delivery were also significant challenges (with a mean above 4)

Poor selection criteria of procurement committee members (mean of 4.86) can be attributed to Section 14 of the Procurement Regulations (2002), which state without mention of the composition of the committee that it is the prerogative of the AO to select members of the procurement committee. This results in the appointment of members without the relevant qualifications and experience. It is therefore recommended that the AOs should make it mandatory that members be selected on the basis of meeting set minimum criteria in terms of qualifications and expertise, which would improve the standard of evaluations.

Evaluation team members' lack of training in procurement (mean of 5.64) and their lack of expertise in tender evaluation (mean of 5.13) are challenges that detract from service delivery and have resulted in poor quality of evaluations. It is recommended that members be exposed to training in evaluations and procurement by the SPB, as discussed in 6.7.5. The SPB should

take the initiative to train entities rather reacting when errors have been committed in order to identify training needs of entities. It is also recommended that the procurement authority be delegated to the procuring entities through the reform of the procurement regulations so that the SPB can diligently perform training, monitoring, supervision and audits of entities. Public procurement should be emphasised in the curricula of universities and colleges so that staff in the procuring entities are exposed to training, in addition to continuous refresher courses in this field. The training will be in line with the need to hasten the procurement process, as indicated in 6.7.5, through the elimination of the need for the use of the SPB, if entities are capacitated to carry out their own procurement processes.

Evaluation team members' lack of knowledge of procurement ethics (mean of 5.60) has resulted in poor procurement decisions being made and, as identified in phase I of the study, officers fail to distinguish between wrong and right, the effect being the cultivation of corrupt tendencies (Osei-Tutu et al 2009:236). As a result, Zimbabwe is ranked as one of the most corrupt countries (see Table 2.4). Therefore, it is recommended that a standard code of ethics and conduct for all procuring entities be set to guide appropriate behaviour of officers in the execution of their work.

Poor interpretation of evaluation criteria (mean of 4.83) is attributed to the evaluation team members' lack of training in procurement (mean of 5.64), and evaluation team members' lack of expertise in tender evaluation (mean of 5.13) is a challenge. Training is recommended with an emphasis being placed on public procurement in the curricula of the universities and training institutions.

It has been noted that the use of the 100% compliance method (mean of 5.44) of evaluation has resulted in tenders being awarded to bidders without the required capacity and expertise, as shown in 6.7.1.9. This is aggravated by the absence of supplier appraisals (mean of 5.80), as indicated in 6.7.1.10. The use of the concept of the most economically advantageous tender as the evaluation criterion is recommended, as it results in tenders being awarded to bidders with the appropriate capacity and expertise to complete the projects.

Supplier approved list registration criteria at SPB (mean of 5.29) has been cited in Phase I of this study as the reason why tenders have been awarded to bidders without capacity. This is because the registration criteria at SPB are based only on submission of documents and payment of US\$100, with no supplier appraisal to determine the capacity of the suppliers as a consequence of lack of resources. It is recommended that, in line with observations in 6.7.5,

the procurement authority be delegated to the entities that are better resourced to carry out the supplier appraisals. This will result in only suppliers with capacity and expertise being placed on the approved list and carrying out government contracts.

The amount of time taken for evaluation at SPB (mean of 4.85) has been blamed on capacity constraints at SPB. Devolution to the procuring entities of authority to evaluate and award tenders is necessary to improve the evaluation process because entities have the resources to ensure the process are carried out with better precision and speed (Balaba 2012). Non-concurrence of entity and SPB evaluation (mean of 4.37) was as a result of differing perceptions between the SPB and the procuring entity concerning what is critical in an evaluation. The SPB is concerned with compliance issues, while entities are concerned with the technical, financial and resource capability of suppliers. Thus entities are more inclined to make an informed procurement decision than the SPB and it is recommended that the function be delegated to the procuring entities so that service delivery can be improved.

7.3.4 Major findings and recommendations-Award Stage

Table 7.5: Challenge: Award Stage

| | Challenges during the preparation stage | Mean | Detracts from Service Delivery |
|---|--|-------------|---------------------------------------|
| 1 | Amount of time taken by SPB to notify bidders entities on tender results | 3.84 | No |
| 2 | Amount of time taken to enter into contract with winning bidders | 3.85 | No |
| 3 | The period given to losing bidders to seek debriefs | 3.80 | No |
| 4 | The 20-day period given to losing bidders to lodge appeals at court | 4.86 | Yes |
| 5 | The suspension of contract signing due to appeals by losing bidders | 5.44 | Yes |
| 6 | The amount of time required for the finalisation of court process | 6.26 | Yes |

Table 7.5 shows that three of the challenges in this section detract from service delivery. This indicates that all the challenges which detract from service delivery were also significant challenges (with a mean above 4)

The 20-day period given to losing bidders to lodge appeals at court (mean of 4.86) is a challenge that detracts from service delivery because such a long period impacts on the suspension of the procurement proceedings and contract signing (mean of 5.44) unless a certificate of urgency has been obtained. It is recommended that the appeals period be limited to 7 days to reduce the effect of prolonging the procurement proceedings.

The amount of time required for the finalisation of court process (mean of 6.26) is a significant challenge that detracts from service delivery due to the time taken to conclude cases at the administrative courts. As found from the interviews (Phase I of the study) and in 6.8.4, this can take as much as 6 months. This results in the non-delivery of the service and suspension of procurement proceedings until such time as the case has been concluded.

However, the devolution of authority to manage the procurement process by the entities will result in more precise evaluations that will reduce the rate of appeals.

7.3.5 Major findings and recommendations-Contract stage

Table 7.6: Challenge: Contract Stage

| | Challenges during the preparation stage | Mean | Detracts from Service Delivery |
|---|---|-------------|---------------------------------------|
| 1 | Extended period taken to invite bidders to sign contracts | 3.73 | No |
| 2 | Duration of contract negotiations with winning bidders | 3.56 | Yes |
| 3 | Lack of contract monitoring mechanisms | 4.96 | Yes |
| 4 | Lack of SPB involvement in contract mechanisms | 5.48 | Yes |
| 5 | Lack of SPB action on poor performing suppliers | 6.05 | Yes |
| 6 | Failure by entities to take action when suppliers do not meet performance standards | 5.42 | Yes |
| 7 | Failure to conduct procurement audits by the SPB | 5.79 | Yes |

Table 7.6 shows that six of the challenges in this section detract from service delivery. This indicates that all the challenges which detract from service delivery were also significant challenges (with a mean above 4) except for the duration of contract negotiations with winning bidders (mean of 3.56)

Lack of contract monitoring mechanisms (mean of 4.96) and lack of SPB involvement in contract monitoring (mean of 5.48), as indicated in 6.9.4, has resulted in contractors taking longer to deliver government contracts. Contractors have also abandoned some unfinished contracts. A proportion of these contractors would have been given some advance payment and they are aware of the SPB's lack of contract monitoring. Contract monitoring can be done better by the entities that sign the contracts and have resources to carry out the function properly and it is therefore recommended that the function be carried out entirely by the entities without the involvement of the SPB.

Although the SPB is the body empowered, in terms of Section 25 of the procurement regulations, to deal with suppliers failing the government, lack of SPB action when suppliers fail to perform (mean of 6.5) is a challenge that detracts from service delivery. It is recommended that Section 25 of the procurement regulations be revised to delegate authority to the procuring entities to monitor contracts and to deal with non-performing contractors because these entities are better resourced in both human and material requirements to carry out such activities. The SPB role will then be to monitor and supervise the entities in terms of the execution of the mandate.

Failure by entities to take action when suppliers do not meet performance standards (mean of 5.42) is because it is the SPB which has the authority to deal with delinquent suppliers and the procuring entities are not empowered to deal with them but rather only to refer them to the SPB. As recommended previously, the solution lies in the delegation of authority to the entity to reprimand non-performing suppliers.

Failure to conduct procurement audits by the SPB (mean of 5.79) can be attributed to resource constraints and has been cited as a reason why the entities continue to commit mis-procurements. The absence of audits to identify areas needing improvement has resulted in the procuring entities continuously making the same mistakes and facing the same challenges in the procurement process. It is recommended that, with the devolution of procuring authority to the procuring entities, the SPB would be able to channel their resources to audits, monitoring and generally assume the role of overseer.

7.3.6 Major findings and recommendations- human resources

Table 7.7: Human Resource Challenges

| | Human Resource Challenges | Mean | Detracts from Service Delivery |
|----|--|-------------|---------------------------------------|
| 1 | Insufficient number of staff in the procurement department | 4.35 | No |
| 2 | Lack of suitably qualified staff in public procurement | 4.36 | Yes |
| 3 | Inadequate experienced procurement staff in | 4.30 | Yes |
| 4 | Recruitment methods used for the recruitment of procurement staff | 3.74 | No |
| 5 | Lack of organisational human resources policy on continuous training and staff development | 4.75 | Yes |
| 6 | Lack of public procurement training by the SPB | 5.63 | Yes |
| 7 | Procurement staff do not belong to a profession body, i.e. CIPS, CILT | 4.91 | Yes |
| 8 | Lack of knowledge of international procurement practices | 4.36 | No |
| 9 | Lack of staff development incentives for procurement staff | 5.00 | Yes |
| 10 | No code of conduct and ethics for procurement staff | 4.79 | Yes |

Table 7.7 shows that eight of the challenges in this section detract from service delivery. This indicates that all the challenges which detract from service delivery were also significant challenges (with a mean above 4).

Section 6.10.4 indicates that a lack of relevant public procurement qualifications (mean of 4.36) and inadequate experience of procurement staff (mean of 4.30) have resulted in poor evaluations and interpretation of evaluation criteria and the law, as recommended in 7.2.3.1. The SPB should take the initiative to train entities rather than wait until errors have been committed in order to identify the training needs of entities. The lack of training from the SPB regarding the evaluation process is a challenge at entity level which affects the procurement process. Ameyaw et al (2011:240) observe that insufficiency of proper training for managers in the public procurement process is a serious challenge confronting public procurement reforms.

In line with the recommendation to decentralise decision making authority to the procuring entities to carry out the procurement processes on their own, the SPB should capacitate the entities in training in public procurement; entities should also invest in human resources development in the area of public procurement. This is necessary because the lack of public procurement training by the SPB (mean of 5.63) is a significant challenge. The training will help ensure that the entities will improve efficiency. As highlighted in the literature review, the procurement system is impacted by the level of education of its personnel as this has an effect on the level of skills and professionalism going into the task (Raymond 2008:782).

Procurement staff does not belong to professional bodies, such as CIPS or CILT (mean of 4.91) and a lack of staff development incentives for procurement staff (mean of 5.0) has affected the professionalism exercised in the execution of the public procurement process by officers. According to Sheoraj (2007) and Migiro and Ambe (2008:230), a lack of purchasing professionalism in public procurement and a skills shortage (Mamiro 2012:5; OECD/DAC 2007) has been identified as a serious impediment to the success of public procurement in South Africa. Therefore, it is recommended that entities take the initiative by introducing an organisational human resources policy on continuous training and staff development (mean of 4.63) through payment of membership fees for their procurement staff to the professional institutions such as CIPS and CILT. It is envisaged that this will reduce procurement staff's lack of knowledge of international procurement practices (mean of 4.36).

7.3.7 Major findings and recommendations-finance and budgeting

Table 7.8: Challenges during the finance and budgeting stage

| | Challenges during finance and budgeting stage | Mean | Detracts from Service Delivery |
|---|--|-------------|---------------------------------------|
| 1 | Failure to prepare budgets (annual, quarterly, monthly etc.) | 3.94 | No |
| 2 | Lack of procurement budgets | 4.79 | Yes |
| 3 | Late disbursements of finance for procurement | 5.59 | Yes |
| 4 | Inadequate budgetary allocations to procurement | 5.73 | Yes |
| 5 | Failure to procure on the basis of allocated budgets | 5.53 | Yes |

Table 7.8 shows that four of the challenges in this section detract from service delivery. This indicates that all the challenges which detract from service delivery were also significant challenges (with a mean above 4). The challenge failure to prepare budgets does not detract from service delivery as indicated on table 7.8 but is not significant as it has a mean value less than 4.

As highlighted in the first phase of the empirical research, lack of procurement budgets (mean of 4.79) has resulted in unplanned and haphazard procurement by the entities and poor utilisation of scarce resources. Entities attributed the lack of procurement budgets to inconsistent revenues and late disbursements of allocations from treasury (see 6.11.6). Therefore it is recommended that entities prepare budgets for submission to treasury or finance departments at the beginning of trading years in anticipation of the finances as this will also help in the prioritisation of purchases in the event of inadequate allocations.

Late disbursements of finance for procurement (mean of 5.59) and inadequate budgetary allocations to procurement (mean of 5.73) have been attributed to the financial challenges experienced by the country as a whole. In the face of these challenges, it is recommended that entities be more proactive in engineering self-sustenance projects to complement treasury/finance allocations to fund their operations.

Similarly, failure to procure on the basis of allocated budgets (mean of 5.53) has been as a result of inadequate budgetary allocations. However, there is still a need for the entities to properly manage the few resources available to them by ensuring that the procurement process is handled efficiently. The evaluation criterion discussed in 7.3.3.1 of 100% compliance has also resulted in tenders being awarded to expensive compliant bidders, thus straining the few available resources. It is therefore also recommended that the entities be more proactive and engineer self-sustenance projects to complement treasury/finance allocations in order to fund their operations and to provide solutions to financial problems.

7.3.8 Major findings and recommendation-procurement legal framework

Table 7.9: Public Procurement legal framework challenges

| | Challenges during the preparation stage | Mean | Detracts from Service Delivery |
|---|--|-------------|---------------------------------------|
| 1 | Lack of awareness of the public procurement laws | 4.61 | Yes |
| 2 | Failure to comprehend the public procurement laws | 4.71 | Yes |
| 3 | Poor structuring of the procurement laws | 4.48 | Yes |
| 4 | Unavailability of procurement procedure manuals | 4.55 | Yes |
| 5 | Lack of access to the procurement regulations | 3.41 | Yes |
| 6 | Long process and procedure required by law (S.I 171 of 2002) | 5.21 | Yes |
| 7 | Inadequacy of thresholds (S.I. 160 of October 12, 2012) | 5.11 | Yes |
| 8 | Centralisation of authority at SPB | 5.68 | Yes |
| 9 | Lack of training on the regulations by the SPB | 5.15 | Yes |

Table 7.9 shows that all the challenges in this section detract from service delivery. This indicates that all the challenges which detract from service delivery were also significant challenges (with a mean above 4).

Lack of awareness of the public procurement laws (mean of 4.61), as noted in 6.12.1.1, is a challenge that detracts from service delivery, a significant proportion of officers executing procurement functions being ignorant of the public procurement laws. Therefore it is recommended that the SPB conduct awareness programs across the whole civil service through training and workshops on public procurement regulations and encourage officers to read the documents. A good way to increase awareness would be to embrace e-procurement and to create a website for the SPB where the regulations could be posted with the necessary explanations of the clauses. This website would assist in overcoming the challenge of failure to comprehend the public procurement laws (mean of 4.71). Further, the use of this platform would afford an opportunity for readers to seek clarification where necessary and could also provide explanations on the meanings of the procurement laws. The poor structuring of the procurement laws (mean of 4.48) is a challenge that detracts from service delivery.

The long process and procedures required by law (S.I 171 of 2002) (mean of 5.61) and the lack of training in the regulations by the SPB (mean of 5.15) are challenges that detract from service delivery. It was highlighted in 6.12.6 that service delivery is suffering because public

procurement is a long and bureaucratic process as a result of the legal and procedural requirement to involve the SPB in every stage of the public procurement process. The literature review also indicated that in the case of Uganda the procurement process is bureaucratic and makes the procurement process expensive (Basheka et al 2008; Ntayi et al 2009; Thai 2008:393). As remarked in the challenges in the other stages of the public procurement process discussed in 7.3.1.1; 7.3.2.1; 7.3.3.1; 7.3.4.1; 7.3.5.1 and 7.3.6.1, the involvement of the need to have all the stages in the process approved by the SPB makes the process bureaucratic and expensive. The recommendations made during those stages to reform the public procurement legal framework and decentralise procurement authority to the entities, with the SPB assuming an oversight role, will enhance public service delivery.

It is clear from the respondents that the main challenge that detracts from service delivery in the public sector is the centralisation of procurement power at the SPB (mean of 5.68), which demands the involvement of the SPB in every stage and activity of the public procurement process (Mamiro 2010:8; Smith 2009; *Business Herald* 2011b). The public procurement regulatory framework has always been considered rigid and to hinder effective service delivery (Mamiro 2010; Smith 2009). The procurement regulations (S.I 171 of 2002) demand the intervention of the SPB in all these stages and this is the reason the process takes so long, besides the fact that the decisions that are made are not always to the advantage of government in terms of delivery of government services and projects.

This justifies the recommendation to reform the public procurement legal framework in order to decentralise the procurement authority to the procuring entities so as to improve efficiency of the public procurement process and improve procurement decisions made in terms of awarding of tenders (Musanzikwa 2013:126; World Bank 2013). Such legal framework reforms should then result in the SPB assuming the role of monitor and supervisor of the procurement entities in order to ensure that the process is carried out as required by the law and would carry out regular procurement audits, as introduced by the Government of Sierra Leone (GoSL 2011:2). Making the SPB an oversight authority should result in a faster and efficient procurement process and enhance service delivery. The government of Ghana progressed by reforming its public procurement system and tackling issues affecting public procurement performance, such as the legal framework and a lack of access to information (World Bank 2013).

It can therefore be concluded that one of the main challenges in the public procurement process that detract from service delivery can be attributed to the public procurement legal

framework, which gives the SPB authority to intervene and approve all stages of the procurement process. It is therefore recommended that the public procurement legal framework be reformed to delegate procurement authority to the entities to make the best procurement decisions for the entities. It is recommended that the SPB play the role of monitor, supervisor and oversight authority.

The next section deals with the limitations of the study and the way forward for future research.

7.4 SUMMARISED RECOMMENDATIONS ON HOW THE PROCUREMENT PROCESS COULD BE IMPROVED TO ENHANCE SERVICE DELIVERY

The aim of this section is to identify and suggest to stakeholders in the public procurement sector how the procurement process could be improved to enhance service delivery.

The summarised recommendation on improving the public procurement process is the Reform of the public procurement legal framework to be implemented through the complete decentralisation of the procurement authority and decisions to the procuring entities.

To effect changes to the mandate of the SPB, it is proposed as follows:

- Develop a code of ethics governing the behaviour of public procurement officers.
- The SPB to act as an oversight authority supervising the execution of the public procurement process by the entities in line with the requirements of the public procurement legal framework.
- Complete decentralization of procurement authority to the procuring entities.
- Standardisation of tender documents (development of standard documents for all entities e.g. RFPs, advertisements etc.)
- Standardisation of the procurement processes for similar procurement situations at the entities.
- Conducting procurement audits of procuring entities at predetermined time periods.
- To continuously train procuring entities on the public procurement laws and any changes thereof.
- To help entities in the development of procurement manuals based on the regulatory framework for use at the procuring authorities.

7.5 LIMITATIONS OF THE STUDY AND THE WAY FORWARD FOR FUTURE RESEARCH

The research study consisted of two phases to collect the data, namely, in-depth semi-structured interviews at five selected entities (Phase I) and a questionnaire that was distributed to the 77 entities (Phase II). The aim of the interviews with the five entities was to try and determine the challenges in the public procurement process, while the questionnaire sought to determine the extent of these challenges and how they detract from service delivery. The limitations of this study are as follows:

- Challenges in the public procurement process were identified through the literature review and interviews with participants at the public entities. The implication is that not all challenges may have been identified
- Corruption is a major challenge in public procurement as evidenced by a number of tenders that have been associated with corruption in Zimbabwe (Musanzikwa 2013:125). According to Kuhn and Sheman (2014:6), corruption can be in the form of abuse of delegated power by public officials or in local service delivery and committed at a high level of government. Corruption affects the public procurement process in that it diverts funds away from essential requirements, cultivates poor decisions, distorts markets and reduces competition, increases prices and procurement cycle costs, and increases the possibility of goods and services being of substandard quality, which may expose the public to various risks (Shaw 2010). This distorts social or economic policies or the central functioning of the government.

In this study corruption was not discussed in terms of its direct effect on the public procurement process as the aim of this study was to identify the challenges in the public procurement process that detract from achieving service delivery. Corruption is not promoted by the procurement process; rather there is an opportunity for corruption in this process. Hence, whilst the influence of corruption within the public procurement process is recognised, assessing whether corruption is promoted by procurement lies outside the jurisdiction of this study.

- As a way forward it is suggested, therefore, that further research be conducted to determine the effect of corruption on the actual public procurement process and how it detracts from service delivery.

Another suggestion for future research is that research could be undertaken in the local authorities (both rural and urban) to determine whether they are facing similar challenges and how these challenges detract from service delivery in their areas. Since 2013, local authorities procure using the Procurement Act of 2002 and the Procurement Regulations of 2002.

7.6 CONTRIBUTION OF THE RESEARCH STUDY

The research study contributes to the overall performance of the public sector in Zimbabwe, given that public procurement is an important part of the government value chain. The objective of the public sector is to provide services to the public and public sector organisations have an obligation to deliver quality service at the lowest possible cost.

Recommendations were made for public enterprises and ministries as a whole with regard to how the challenges identified could be overcome and these recommendations could be used as a basis for future research studies. Suggestions were provided for stakeholders with regard to how the public procurement process could be improved in order to enhance service delivery, which could also be used as a basis for future research studies.

The world today can be described as a global village. This means that Zimbabwe's public procurement system no longer functions in isolation. Therefore its public procurement laws should become aligned with other countries' laws and business practices in order to reap the benefits of globalisation. The field of public procurement and supply chain management is a dynamic field justifying continual research in order to capture new trends and new developments.

The study is original as not many studies have focused on public procurement in Zimbabwe and it is the first to aspire to identifying the challenges in the public procurement process that detract from achieving service delivery in Zimbabwe. This study thus makes a contribution to practice in public procurement, focuses attention on the challenges that detract from service delivery and suggests how the process could be improved to enhance service delivery.

Table 7.10: Summary of the challenges and possible solutions and benefits.

| Challenges in the public procurement process that detract from service delivery | Potential Solutions | Potential Benefits |
|--|---|---|
| Human resources issues: <ul style="list-style-type: none"> • lack of suitably qualified procurement staff; • inadequate experience; • lack of training from the SPB lack of training and development initiative for procurement staff • lack of recognition of the procurement function • Lack of procurement manuals/code of ethics and conduct. | Carrying out countrywide training of entities by the SPB on procurement procedures and laws. | Minimise or eliminate errors, flouting of procurement procedures and delays in the process. |
| | Making the procurement function a stand-alone function. Employ suitably qualified professionals in procurement. | Quicker and competent procurement decision making. Reduction of the length of the procurement process. |
| | Continuous staff development through refresher courses and standing policy on HR development. | Staff is kept abreast of changing trends and best practices in public procurement. |
| | To help procuring entities by developing procurement manuals based on the regulatory framework for use by procurement officers. | Standardisation of procurement processes in all procuring entities and elimination of inconsistencies and errors in the process. |
| Legal framework challenges: <ul style="list-style-type: none"> • lack of awareness of the public procurement laws • failure to comprehend the public procurement laws • unavailability of procurement procedure manuals • lack of access to the procurement regulations • long process and procedure required by law (S.I 171 of 2002) • inadequacy of thresholds (S.I. 160 of October 12, 2012) • centralisation of power at SPB • lack of training by the SPB | SPB to conduct outreach programmes throughout the country to educate and expose relevant staff at the procuring entities on the existence of the law. | Create and increase the awareness of the laws by the procuring entities. |
| | SPB in the outreach programmes to explain the interpretation of the law to the relevant staff at the procuring entities. | Eliminate misinterpretation and misconceptions when applying the procurement law to increase compliance. |
| | SPB to assist relevant staff at the procuring entities to construct procedure manuals in line with the procurement regulations. | Ensure consistency in the execution of the procurement processes by the procuring entities and reduction of errors and process turnaround time. |
| | To increase access to the laws through establishment of satellite Printflow offices in every town/city. | Increased awareness and availability of the procurement laws. |
| | Reform the legal framework to enhance reduction of the length of the procurement process. This can be achieved through | Quicker and better procurement decision making by the procuring entities. This will enable the SPB to play a |

| | | |
|---|---|--|
| | delegating of authority to Accounting Officers to manage the whole procurement process and remove SPB involvement. | supervisory and monitoring role. |
| | Reform the legal framework to limit SPB powers to monitoring and supervision to enable the Accounting Officers to manage the procurement process. | Enhancement of informed procurement decisions by staff at the entities and quicker turnaround time of the procurement process |
| | SPB to ensure provision of continuous training to the procuring entities on the laws and regulations. | Entities' staff will keep abreast of any changes in the legal framework. Compliance to the regulations and procedures will be increased.. |
| | Increase thresholds to levels allowing entities to take control of critical procurement decisions and processes | Allows the procuring entities to make important informed decisions with speed. |
| Centralisation of procurement authority at SPB. | Reform the public procurement legal framework to delegate procurement authority to the entities | Enables speedy procurement decision making at the entities and reduced turnaround time for the procurement process. This will enable the SPB to discharge its mandate of supervision, monitoring and oversight role. |

7.7 CONCLUSION

This study has provided a number of insights and made some recommendations which, if adopted, could lead to the improvement of service delivery in the public sector. However, the insights of the study should be viewed in terms of the limitations discussed.

This is a descriptive and qualitative study that as mixed methods research. Through the literature research, it was established that public entities face problems in the dispensing of public service due to the challenges in the public procurement process. This was further evidenced in the interviews, which revealed challenges in the public procurement process that detract from service delivery in the public sector. The second stage of the empirical research used questionnaires for a full scale survey. The identified challenges in the public procurement process from the first phase of the study were tested and ranked. The findings indicated that the responding public entities agreed on the extent and magnitude of the challenges experienced.

Overall, a significant number of respondents indicated that the involvement of the SPB in the public procurement process has lengthened the public procurement process and is the basis of challenges in the public procurement process that detract from service delivery. More than half of the respondents agreed that the public procurement legal framework gives excess control and authority to the SPB and this is a challenge as it creates confusion amongst public entities, which therefore experience challenges in executing their duties because of the bureaucracy and inefficiency experienced at the SPB. This has been at the expense of service delivery.

In conclusion, Zimbabwe is facing economic challenges, which are magnified by the economic sanctions imposed by the West, resulting in minimal balance of payments support being received. It can be said that Zimbabwe is operating on a shoe string budget and hence there is a need to use the limited available resources sparingly. This makes the public procurement process an important stakeholder in the effort to achieve service delivery in an efficient cost effective manner. It is therefore crucial that the public procurement process is efficient. This can only be achieved through a reform in the public procurement legal framework.

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APPENDIX A: CABINET APPROVAL



Dear Sir

I am a Student at the University of KwaZulu Natal (Student Number 213538368), in the School of Management I.T. and Governance studying for a PhD in Supply Chain Management. My Doctoral study focuses on the obstacles in the Public Procurement process that detract service delivery in Zimbabwe. I would like to carry out this study in the Public Sector in Zimbabwe, as the process has a bearing on public service delivery in Zimbabwe and the economy of the country.

The aim of this study is to provide a perspective on the public procurement process in Zimbabwe and will focus on obstacles in the public procurement process. The outcome of the study could assist the stakeholders in the public sector to focus their attention on improvement of fundamental aims and objectives of improved service delivery.

My motivation for conducting the study is for pure academic purposes and publications of SAPSE journal articles - which is a requirement for academics.

I would appreciate if you could give me permission to conduct this study so that I may apply for ethical clearance from UKZN.

Kind regards

Abel Dzuke
University of KwaZulu Natal
School of Management
Pietermaritzburg Campus.

Approved

Signature.....

Designation DEPUTY CHIEF SECRETARY

Stamp



APPENDIX B: PHASE 1 ETHICAL CLEARANCE



07 February 2014

Mr Abel Dzuke (213538368)
School of Management, IT & Governance
Pietermaritzburg Campus

Protocol reference number: HSS/0052/014D

Project title: Public Procurement: Panacea or Fallacy – A case of Public Service delivery in Zimbabwe

Dear Mr Dzuke,

Full Approval – Expedited (PHASE 1)

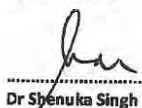
In response to your application dated 14 January 2014, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol have been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

Please note: Research data should be securely stored in the discipline/department for a period of 5 years.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully


.....
Dr Shenuka Singh (Chair)

/ms

Cc Supervisor: Dr Micheline Naude
cc Academic Leader Research: Professor Brian McArthur
cc School Administrator: Ms Debbie Cunynghame

Humanities & Social Sciences Research Ethics Committee

Dr Shenuka Singh (Chair)






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Founding Campuses:  Edgewood  Howard College  Medical School  Pietermaritzburg  Westville

APPENDIX C: PHASE 2 ETHICAL CLEARENCE



13 June 2014

Mr Abel Dzuze (213538368)
School of Management, IT & Governance
Pietermaritzburg Campus

Protocol reference number: HSS/0052/014D

Project title: Public Procurement: Panacea or Fallacy – A case of Public Service delivery in Zimbabwe

Dear Mr Dzuze,

Full Approval – Expedited (PHASE 2)

In response to your application dated 02 June 2014, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol have been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

Please note: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

Dr Shenuka Singh (Chair)

/ms

Cc Supervisor: Dr Micheline Naude
cc Academic Leader Research: Professor Brian McArthur
cc School Administrator: Ms Debbie Cunynghame

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APPENDIX D: INTERVIEW GUIDE

INTERVIEW GUIDE

Date: _____

Company: _____

Person interviewed: _____

Capacity: _____

1. INTRODUCTION

The introduction explains the purpose of the study and the role of the participants. In addition, the aim is to assure the participants' confidentiality and request permission to use a tape recorder.

2. SECTION 1 GENERAL

- Name of participant:
- Position:
- Describe the organization structure in the procurement department.
- Is the procurement department recognized as an operational, tactical or strategic department?
- Is the procurement department an autonomous department or is under a certain function/department?
- Does this status affect the procurement process and decision making?
- Does the purchasing department purchase for the whole entity?
- How is the Procurement/Purchasing Department structured? Decentralized / centralized? In other words does the State Procurement Board purchase all goods,

- services and works for the ministry/entity or do entities/ministries purchase certain goods and services?
- Is the procurement department computerized?

3. SECTION 2 HUMAN RESOURCES

- How many people are employed in the procurement/purchasing department
- Does the staff in the procurement department have the requisite qualifications in procurement or procurement related (logistics, supply chain management, materials management, etc.)
- Does the staff have relevant experience in procurement?
- How are staff for the department recruited?
- Does the organization have a human resources policy on continuous training and staff development in place?
- Does the staff in the procurement department attend training and staff development courses and programs in the field of procurement and public procurement?
- What role does the state procurement board play in public procurement training and development?
- Are there any staff development incentives for staff to voluntarily attend and attain qualifications in procurement (CIPS, Bachelors/honors' degree, diplomas and higher diploma, certificates)
- Does the staff in public procurement hold membership of any procurement professional body (Chartered Institute of Purchasing and Supply, Chartered Institute of Logistics and Transport etc) that places an emphasis on ethics through an ethical code of conduct.
- Is there a code of conduct and code of ethics for procurement staff?
- If so, are staff provided with training on ethical issues in public procurement.
- What are the career prospects in the organization for the staff in public procurement
- As the procurement department does the staff understand their role and importance in public service delivery?

SECTION 3 FINANCE AND BUDGETING

- Does the ministry/entity prepare procurement budgets? (Monthly, Quarterly, Half Yearly, Yearly etc).
- At what time are these budgets submitted to treasury/finance for consideration?
- Does the procurement department procure on the basis of the budget or on the basis of allocation/disbursement
- When are treasury disbursements done to the entity/ministry and are they done in time?
- Are the budgetary requirements met by the treasury allocations?
- What problems are faced by the ministry/entity on budgetary/financial issues?
- What percentage of the total budget for the ministry or entity is absorbed by procurement?
- Does the ministry/entity fully utilize the budget allocations and disbursements each year?

SECTION 4 PUBLIC PROCUREMENT REGULATIONS

- Is the staff in the procurement department aware of the country's public procurement legislation?
- Does the staff comprehend the requirements and clauses of the Procurement Act Cap 22:14 and the procurement regulations?
- Are the regulations prepared in a comprehensible manner to the staff in the procurement department and the organization at large?
- Does the ministry/entity have a procurement manual indicating the procedural requirements to be observed in a procurement process?
- What challenges are they facing in understanding and using the regulations?
- Is compliance to the procurement legislation adding value for money?
- How are these regulations aiding or impeding the public procurement process
- Do the public procurement regulations have clauses for the promotion and enforcement of ethical behavior in public procurement?
- Do the regulations have clauses on the support and use of local suppliers and what effect does this have on the procurement process?

SECTION 5 PUBLIC PROCUREMENT PROCESS

5.1 Preparation Stage

- Does the department prepare procurement plans (annual, quarterly, half yearly, monthly)?
- What factors does the department consider when preparing the procurement plan?
- How does the department establish the proper procurement method to use (the threshold within which a particular purchase falls)?
- Are the thresholds appropriate for your operations i.e. how do they impact on the public procurement process in your ministry?
- Who prepares the request for proposal document (RFP)?
- What factors do you consider when preparing the RFP Document?
- What issues are considered in the RFP document (Requirements)
- How long does it take to prepare the RFP document and the draft advertisement and to submit it to the State Procurement Board for approval?
- Are there standard bidding documents for goods, works and services?
- How long does it take for an RFP Document and the advertisement to be approved by the State Procurement Board?
- What problems do you face in the process?

5.2 Advertising/Publication of tender stage

- Who determines the closing date and advertising dates of tenders and how are these determined?
- Which papers do you advertise your tenders in and what are the costs of the advertising process?
- Who caters for the costs of advertising tenders?
- How long does it take from approval of the tender document and the advertisement to the actual publication in the papers?
- How long does it take from the date of approval of the RFP and the advertisement to the actual closing date?
- What challenges are faced on this process?
- What are special formal tenders and at what time are they used as a public procurement method?

- What is the process involved in the publication of Special Formal Tenders?
- How long does the process take and is this an effective method of procurement?
- What challenges are encountered using this process?
- What are direct purchases and when are they used as a public procurement method?
- Is this an effective method in public procurement?
- What challenges are encountered using this process?
- What is an approved list and when is the approved lists used as a public procurement method?
- What problems are faced when using approved lists in the public procurement process?

5.3 Bid Evaluation

- Where are tender openings held and how often are they carried out?
- Does the procurement staff attend all tender openings?
- When the tenders are closed and opened how long do they take before the Ministry/entity is asked to collect them for evaluation?
- When the bids have been collected how much time is the Ministry/entity expected to have completed the evaluation?
- How many people are involved in the evaluation process?
- What are the selection criteria for choosing members of the evaluation team?
- Do all the members of the evaluation team have basic training in procurement and public procurement?
- Do all the members of the evaluation team have basic training in procurement ethics?
- What are the most common important evaluation criteria for all tenders considered when evaluating bidders?
- What are the most common important factors that cause bidder disqualification?
- What award criteria is used at your ministry (e.g. 100% compliance, quality based and cost based evaluation etc.) and what effect does this have on the ultimate evaluation of bids and the quality of service or product supplied?
- Does the ministry/entity have an approved suppliers/vendor list for all categories of required products?
- How often are these lists updated?

- What criteria are used for a supplier to be considered for registration in the categories?
- Does the procurement department carry out vendor appraisals and vendor ratings before registering them on the approved list?
- How often is this done?
- When the evaluation has been completed and submitted to the SPB for further evaluation, how long does it take the SPB to do their Evaluation?
- Does your evaluation and the SPB evaluation always agree and if not what is done for the two evaluations to concur.

5.4 The award

- How long does it take for the SPB to communicate the results of the tender to the Entity and the bidders (both winners and loser)?
- After the award how long does it take to enter into a contract with the winning bidder?
- How long is the time given to losing and aggrieved bidders to seek debriefs meetings with the SPB and the entity/ministry?
- If the losing bidders are not satisfied with the debrief how long do they take before noting appeals against awards with the administrative court?
- Whilst the appeal is being noted what happens to the contract signing?
- How long does it take before the appeal is heard in court and the whole court processes are finalized?

5.5 The contract

- At what stage is the winning bidder contacted and invited to the contract signing?
- Are negotiations carried out prior to the signing of the contract?
- If so, what is usually negotiated?
- How long do these negotiations take before the contract is signed and does the negotiating team carry out an appraisal of the supplier?
- When the contract has been signed what mechanisms are there to monitor performance or delivery?
- What role does the SPB play in the contract or performance monitoring?
- What happens to the cases where the appeals lodged with the courts are won by the losing bidders?

- What actions can be taken against non-performing bidders or bidders who fail to deliver in the prescribed period as per contract.
- For the contracts performed or delivered what measures or actions taken against suppliers who fail to deliver the required quality?
- Does the SPB carry out procurement audits of the ministries or entities and how many times in a year?

General

- In your opinion is the public procurement achieving value for money objectives?
- What is the effect of this public procurement process on service delivery?

Any other areas you wish to elaborate on?

Thank you for your time.

APPENDIX E: INFORMED CONSENT

UNIVERSITY OF KWAZULU-NATAL

School of Management, IT and Governance

Dear Respondent,

PhD Research Project

Researcher: Abel Dzukey (263 772305366)

Supervisor: Dr Micheline Naude (033 2606182)

Research Office: Ms P Ximba 031-2603587

I, Abel Dzukey (Student No. 213538368) am a PHD student at the University of KwaZulu-Natal. The aim of my study is to identify the challenges in the procurement process that detract from achieving service delivery in Zimbabwe. My topic is as follows:

Public Procurement: Panacea or Fallacy – A case of Public service delivery in Zimbabwe

Please note that this study is being conducted for pure academic purposes in fulfilment of the requirements for the completion of the PHD degree. My supervisor is Dr Micheline Naude and she is based in the School of Management, IT and Governance on the Pietermaritzburg campus of the University of KwaZulu-Natal. She can be contacted at NaudeM@ukzn.ac.za or telephonically at (033) 2606181.

Should you need to contact me regarding any aspect of this research, you can do so at abeldzukey@gmail.com or telephonically at +263772305366 and +263712237013.

Information gathered in this study will include data retrieved from the questionnaire that I request you to participate in. Please note that only summary data will be included in the

report and that your name will not be included. Your anonymity and confidentiality is of utmost importance and will be maintained throughout the study.

Your participation in the study is completely voluntary and you are under no obligation to complete the questionnaire. You also have the right to withdraw at any time during the study.

I appreciate the time and effort it will take you to participate in this study. I would highly appreciate your participation, as it would help me in my research endeavours.

UNIVERSITY OF KWAZULU-NATAL
School of Management, IT and Governance

PhD Research Project

Researcher: Abel Dzuke (263 772305366)

Supervisor: Dr Micheline Naude (033 2606182)

Research Office: Ms P Ximba 031-2603587

CONSENT

I (Full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

Signature of Participant.....

Date.....

This page is to be retained by researcher

APPENDIX F: QUESTIONNAIRE

QUESTIONNAIRE RETURN PAGE PUBLIC PROCUREMENT: PANACEA OR FALLACY-A CASE OF PUBLIC SERVICE DELIVERY IN ZIMBABWE

TO:

ATTENTION: ABEL DZUKE

EMAIL: abeldzuke@gmail.com

PHONE NUMBER: +263 712 237 013

CELL NUMBER: +263 772 305 366

REFERENCE: Public Procurement: Panacea or Fallacy – A case of Public service delivery in Zimbabwe

FROM:

NAME (optional): _____

PUBLIC ENTITY: _____

FAX NUMBER: _____

PHONE NUMBER: _____

**THE TIME AND EFFORT YOU HAVE PUT INTO COMPLETING THIS QUESTIONNAIRE ARE GREATLY
APPRECIATED.**

THANK YOU.

SECTION 1: GENERAL INFORMATION

1.1 Name of Public entity.....

1.2 Position/Title of person who completed questionnaire.....

1.3 Age of the participant

20-30 year ☐ 31-40 Years ☐ Above 40 Years ☐

1.4 Gender of the Participant

Male ☐ Female ☐

1.5 What is the organization structure in the procurement department

Centralised ☐ Decentralised ☐ ☐

1.6 Indicate the decision making level of procurement in your organization (Tick the appropriate)

Strategic ☐ Tactical ☐ Operational ☐

1.7 Is the Procurement Department an autonomous department (Indicate by circling your response)

Yes **No**

1.8 If the answer to 1.5 is **NO** indicate where the Procurement Department reports

.....

1.9 Indicate the procurement operational system in use at your organisation (tick the appropriate)

Manual ☐ Computerised ☐

SECTION 2: PREPARATION STAGE

Indicate to what extent your entity experiences the following challenges in the preparation stage that have a negative impact on the public procurement process. Also, indicate whether these challenges detract from service delivery. Please provide more information in the comments block if you would like to clarify something or feel strongly about one of the challenges.

| | | TICK IF NOT A PROBLEM | IF A PROBLEM AREA PLEASE CIRCLE (0) TO WHAT EXTENT | | | | | | | | DETRACTS FROM SERVICE DELIVERY | |
|--|---|-----------------------------|---|---|---|---|----------------|---|---|--|---|----|
| | Challenges during the preparation stage | | Lesser Extent | | | | Greater Extent | | | | Yes | No |
| 1 | Lack of formal procurement plans | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | |
| 2 | Inappropriate procurement methods | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | |
| 3 | Lack of standard bidding documents | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | |
| 4 | Lack of expertise in the preparation of the RFP | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | |
| 5 | Excessive time taken to prepare a draft RFP and advertisement and submit to SPB | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | |
| 6 | Delay in approving RFP at SPB | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | |
| 7 | Lack of technical expertise to approve RFPs at SPB | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | |
| 8 | Lack of training on preparation of RFPs by SPB | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | |
| | | | | | | | | | | | | |
| Comments: <div style="border-top: 1px solid black; margin-top: 10px; height: 10px;"></div> <div style="border-top: 1px solid black; margin-top: 10px; height: 10px;"></div> <div style="border-top: 1px solid black; margin-top: 10px; height: 10px;"></div> | | | | | | | | | | | | |

SECTION 3: ADVERTISING STAGE

Indicate to what extent your entity experiences the challenges in the advertising and publication stage that have a negative impact on the public procurement process. Also, indicate whether these challenges detract from service delivery. Please provide more information in the comments block if you would like to clarify something or feel strongly about one of the challenges.

| | | TICK IF NOT A PROBLEM | IF A PROBLEM AREA PLEASE CIRCLE (0) TO WHAT EXTENT | | | | | | | DETRACTS FROM SERVICE DELIVERY | |
|-----------|---|-----------------------|--|---|---|---|---|---|---|--------------------------------|----|
| | Challenges during the advertising and publication stage | | Lesser Extent Greater Extent | | | | | | | Yes | No |
| 1 | Delay in Determination of publication and closing dates by SPB | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 2 | Amount of time taken to approve RFP and Advert | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 3 | Amount of time taken from RFP approval to actual publication | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 4 | The length of the process followed in the use of Special Formal Tenders | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 5 | Time consuming approval procedure in the use of direct Purchases | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 6 | The length of the process followed in the use of approved lists | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| Comments: | | | | | | | | | | | |
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| <hr/> | | | | | | | | | | | |
| <hr/> | | | | | | | | | | | |

SECTION 4: BID EVALUTION STAGE

Indicate to what extent your entity experiences the challenges in the evaluation stage that have a negative impact on the public procurement process. Also, indicate whether these challenges detract from service delivery. Please provide more information in the comments block if you would like to clarify something or feel strongly about one of the challenges.

| | | TICK IF NOT A PROBLEM | IF A PROBLEM AREA PLEASE CIRCLE (0) TO WHAT EXTENT | | | | | | | DETRACTS FROM SERVICE DELIVERY | |
|----|---|-----------------------|---|---|---|---|---|---|---|--------------------------------|----|
| | Challenges during the evaluation stage | | Lesser Extent Greater extent | | | | | | | Yes | No |
| 1 | Amount of time taken to be invited to collect tender documents | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 2 | Inadequate amount of time provided to evaluate tenders at entity level | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 3 | Excessive number of people involved in the evaluation process at entity level | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 4 | Poor selection criteria for procurement committee members | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 5 | Evaluation team members' lack of training in procurement | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 6 | Evaluation team members' lack of knowledge of procurement ethics | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 7 | Evaluation team members' lack of expertise in tender evaluation | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 8 | Poor interpretation of evaluation criteria | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 9 | The use of 100% compliance award criteria | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 10 | Supplier approved list registration criteria at SPB | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 11 | Absence of supplier appraisals and rating | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 12 | Amount of time taken for evaluation at SPB | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 13 | Non-concurrence of entity and SPB evaluation | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |

SECTION 5: AWARD STAGE

Indicate to what extent your entity experiences the challenges in the award stage that have a negative impact on the public procurement process. Also, indicate whether these challenges detract from service delivery. Please provide more information in the comments block if you would like to clarify something or feel strongly about one of the challenges.

| | | TICK IF NOT A PROBLEM | IF A PROBLEM AREA PLEASE CIRCLE (0) TO WHAT EXTENT | | | | | | | DETRACTS FROM SERVICE DELIVERY | |
|--|---|--------------------------------------|---|---|---|---|---|---|---|---|-----------|
| | Challenges during the award stage | | Lesser Extent Greater Extent | | | | | | | Yes | No |
| 1 | Amount of time taken by SPB to notify bidders' entities on tender results | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 2 | Amount of time taken to enter into contract with winning bidders | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 3 | The length of the period given to losing bidders to seek debriefs | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 4 | The 20-day period given to losing bidders to lodge appeals at court | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 5 | The suspension of contract signing due to appeals by losing bidders | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 6 | The amount of time required for the finalisation of court process | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| Comments: <hr/> <hr/> <hr/> <hr/> | | | | | | | | | | | |

SECTION 6: CONTRACT STAGE

Indicate to what extent your public entity experiences the challenges at the contract stage that have a negative impact on the public procurement process. Also, indicate whether these challenges detract from service delivery. Please provide more information in the comments block if you would like to clarify something or feel strongly about one of the challenges.

| | | TICK IF NOT A PROBLEM | IF A PROBLEM AREA PLEASE CIRCLE (0) TO WHAT EXTENT | | | | | | | DETRACTS FROM SERVICE DELIVERY | |
|--|--|-----------------------------|---|---|---|---|---|---|---|---|----|
| | Challenges during the contract stage | | Lesser Extent Greater Extent | | | | | | | Yes | No |
| 1 | Too extended a period taken to invite bidders to sign contracts. | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 2 | Duration of contract negotiations with winning bidders | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 3 | Lack of contract monitoring mechanisms | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 4 | A lack of SPB involvement in contract monitoring | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 5 | A Lack of SPB action when suppliers perform poorly | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 6 | A Failure by bidders to take action when suppliers do not meet performance standards | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 7 | A Failure to conduct procurement audits by SPB | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| Comments: <div style="border-bottom: 1px solid black; height: 15px; margin-top: 5px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-top: 5px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-top: 5px;"></div> | | | | | | | | | | | |

SECTION 7: MISCELANEOUS

HUMAN RESOURCES CHALLENGES

Indicate to what extent your entity experiences the following human resources challenges that have a negative impact on the public procurement process. Also, indicate whether these challenges detract from service delivery. Please provide more information in the comments block if you would like to clarify something or feel strongly about one of the challenges

| | | TICK IF NOT A PROBLEM | IF A PROBLEM AREA PLEASE CIRCLE (0) TO WHAT EXTENT | | | | | | | DETRACTS FROM SERVICE DELIVERY | |
|-----------|--|-----------------------------|---|---|---|----------------|---|---|---|--------------------------------------|----|
| | Human resources challenges | | Lesser Extent | | | Greater Extent | | | | Yes | No |
| 1 | Insufficient number of staff in the procurement department | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 2 | Lack of suitably qualified staff in public procurement | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 3 | Inadequate experience of procurement staff | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 4 | Inappropriate recruitment methods used for the recruitment of procurement staff | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 5 | Lack of organizational human resources policy on continuous training and staff development | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 6 | Lack of public procurement training by the SPB | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 7 | Procurement staff do not belong to a profession body, i.e. CIPS, CILT | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 8 | lack of knowledge of international procurement practices | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 9 | Lack of staff development incentives for procurement staff | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 9 | No code of conduct and ethics for procurement staff | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| Comments: | | | | | | | | | | | |

FINANCE AND BUDGETING CHALLENGES

Indicate to what extent your entity experiences the following finance and budgeting challenges that have a negative impact on the public procurement process. Also, indicate whether these challenges detract from service delivery. Please provide more information in the comments block if you would like to clarify something or feel strongly about one of the challenges

| | | TICK IF NOT A PROBLEM | IF A PROBLEM AREA PLEASE CIRCLE (0) TO WHAT EXTENT | | | | | | | DETRACTS FROM SERVICE DELIVERY | |
|------------------------------------|--|-----------------------|--|---|---|---|---|---|---|--------------------------------|----|
| | Finance and Budgeting Challenges | | Lesser Extent Greater Extent | | | | | | | Yes | No |
| 1 | Failure to prepare budgets (annual, quarterly, monthly etc.) | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 2 | Lack of procurement budgets | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 3 | Late disbursements of finance for procurement | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 4 | Inadequate budgetary allocations to procurement | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 5 | Failure to procure on the basis of allocated budgets | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| Comments: <hr/> <hr/> <hr/> | | | | | | | | | | | |

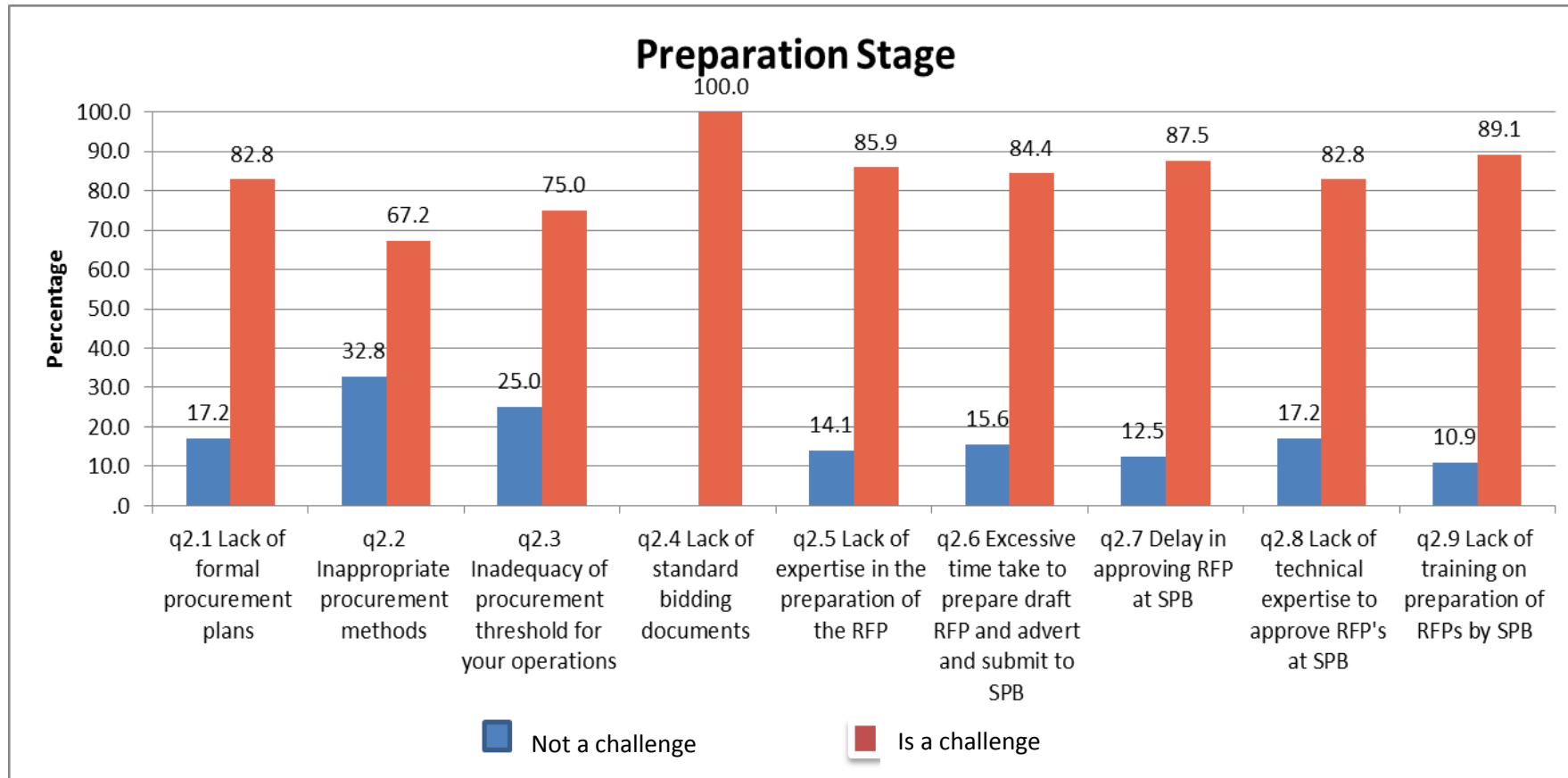
PUBLIC PROCUREMENT LEGAL FRAMEWORK CHALLENGES

Indicate to what extent your entity experiences challenges in the public procurement legal framework that have a negative impact on the public procurement process. Also, indicate whether these challenges detract from service delivery. Please provide more information in the comments block if you would like to clarify something or feel strongly about one of the challenges.

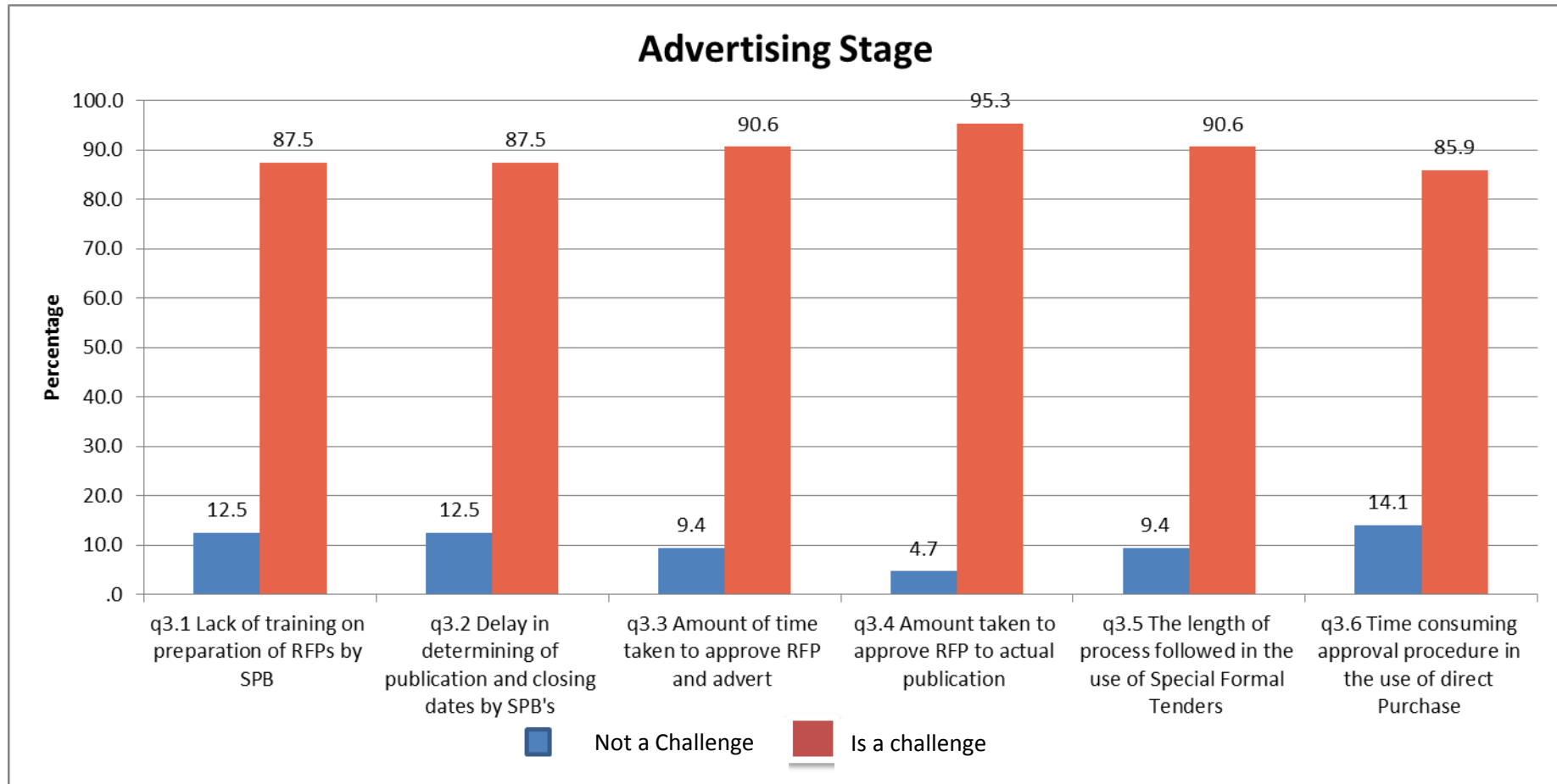
| | | TICK IF NOT A PROBLEM | IF A PROBLEM AREA PLEASE CIRCLE (0) TO WHAT EXTENT | | | | | | | DETRACTS FROM SERVICE DELIVERY | |
|-----------|--|-----------------------|--|---|---|----------------|---|---|---|--------------------------------|----|
| | Public Procurement Legal Framework Challenges | | Lesser Extent | | | Greater Extent | | | | Yes | No |
| 1 | Lack of awareness of the public procurement laws | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 2 | Failure to comprehend the public procurement laws | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 3 | Poor structuring of the procurement laws | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 4 | Unavailability of procurement procedure manuals | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 5 | Lack of access to the procurement regulations | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 6 | Process and procedures required by law too lengthy (S.I 171 of 2002) | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 7 | Inadequacy of thresholds (S.I. 160 of October 12, 2012) | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| 8 | Centralization of authority at SPB | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| | | | | | | | | | | | |
| Comments: | | | | | | | | | | | |
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| <hr/> | | | | | | | | | | | |

Once again, thank you for your time and assistance in completing this questionnaire. It is greatly appreciated

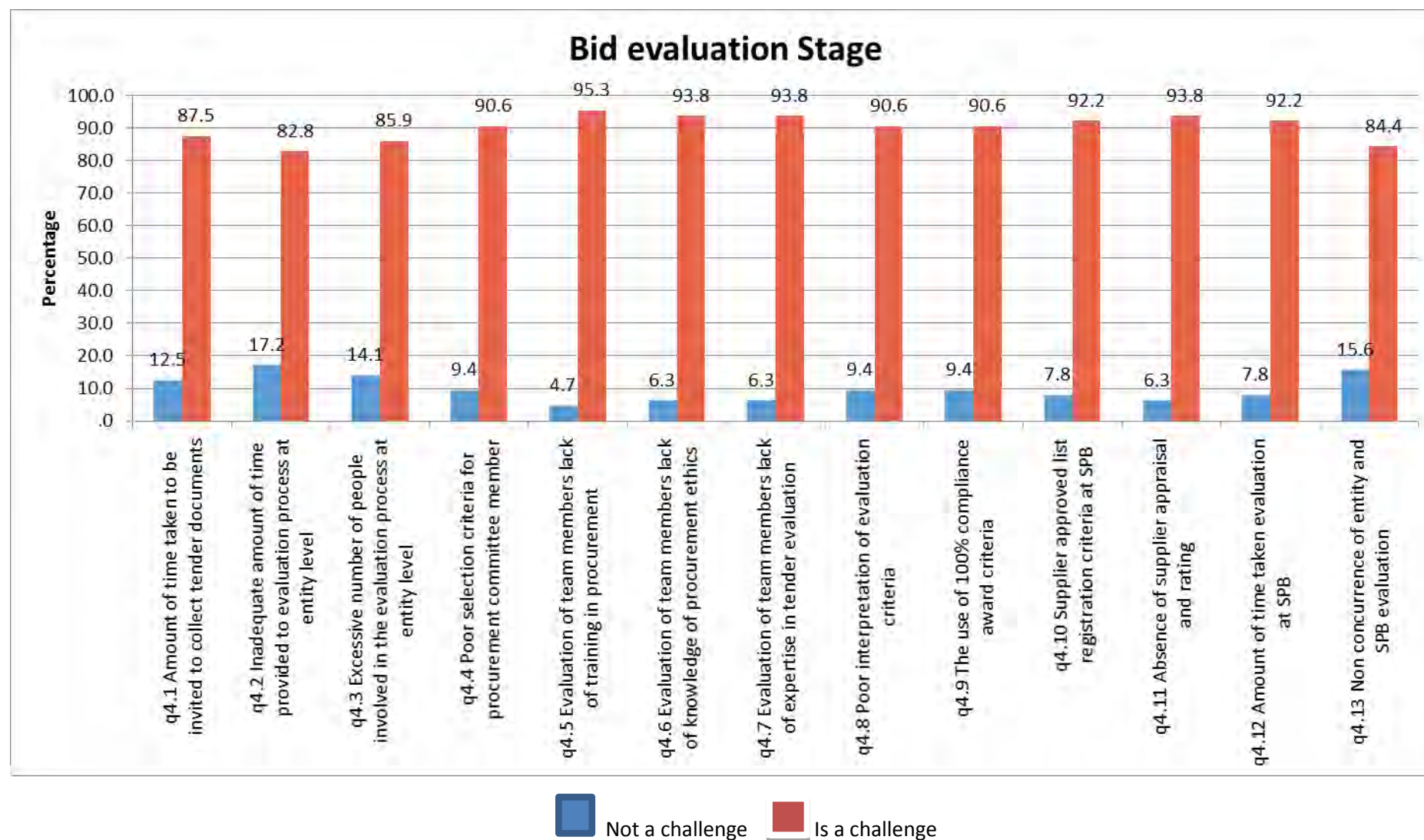
APPENDIX F: SUMMARY AND EXTENT OF CHALLENGES IN THE PUBLIC PROCUREMENT PROCESS THAT DETRACT SERVICE DELIVERY



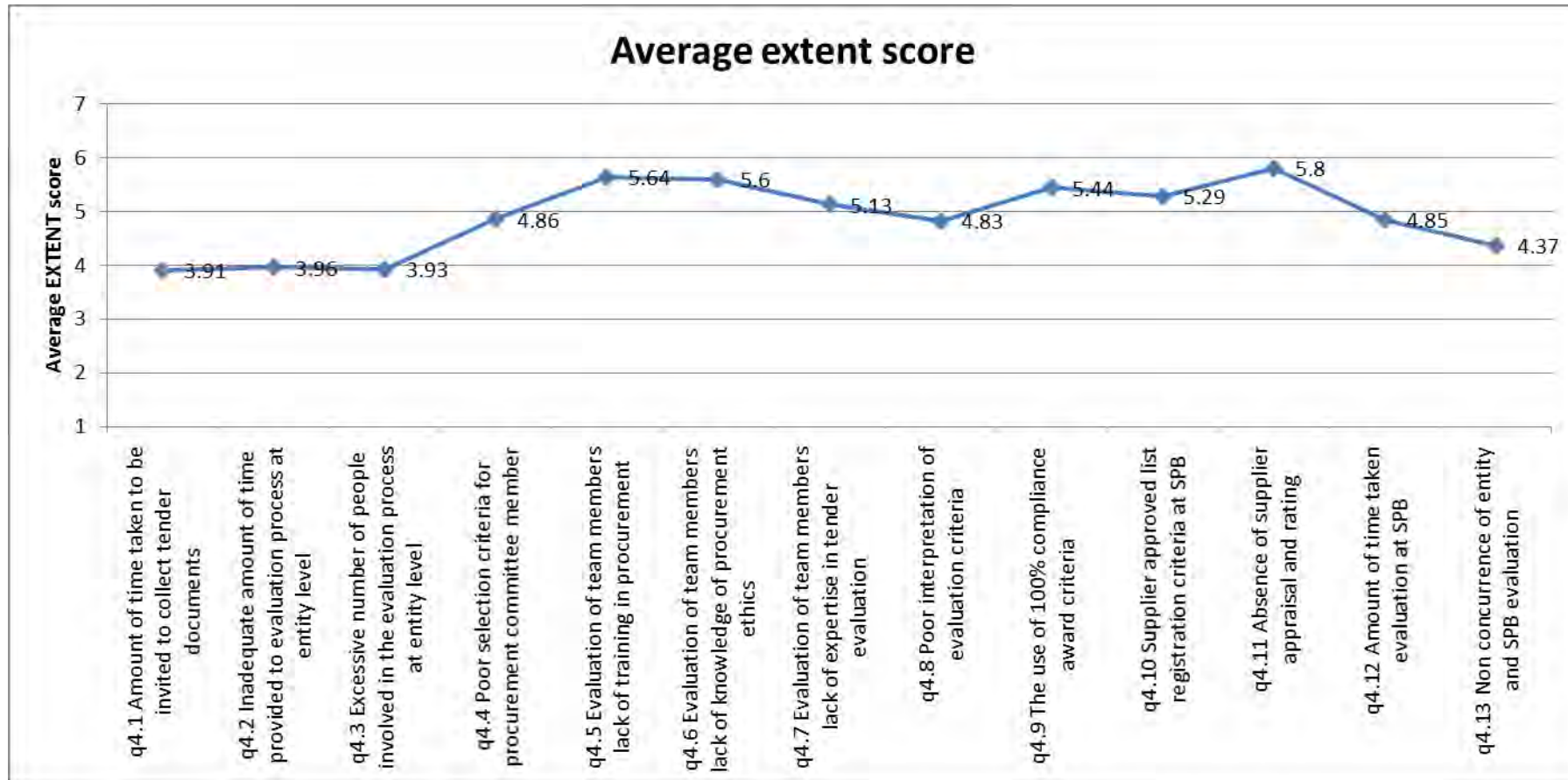
Challenges in the advertising stage



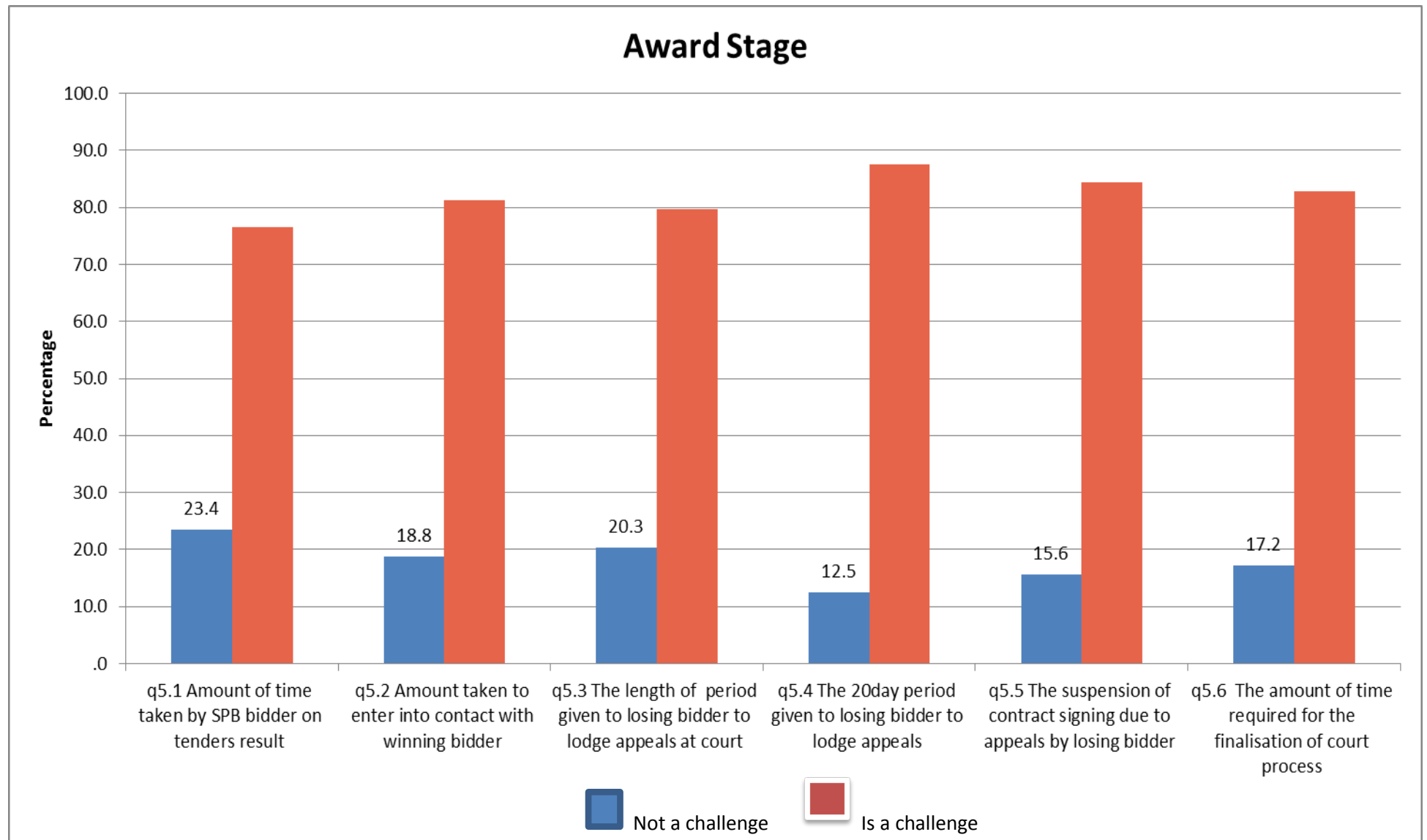
Bid evaluation Stage challenges



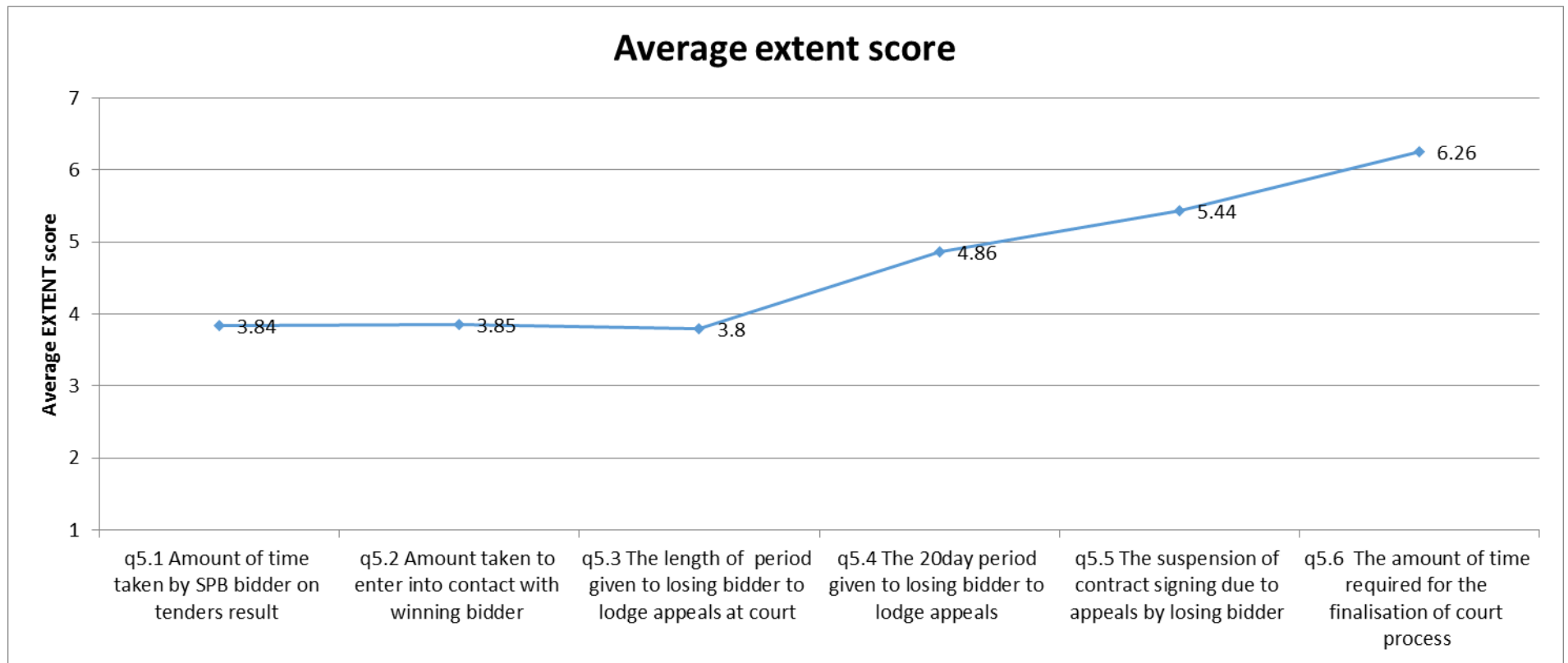
Bid evaluation stage: Average Extent score



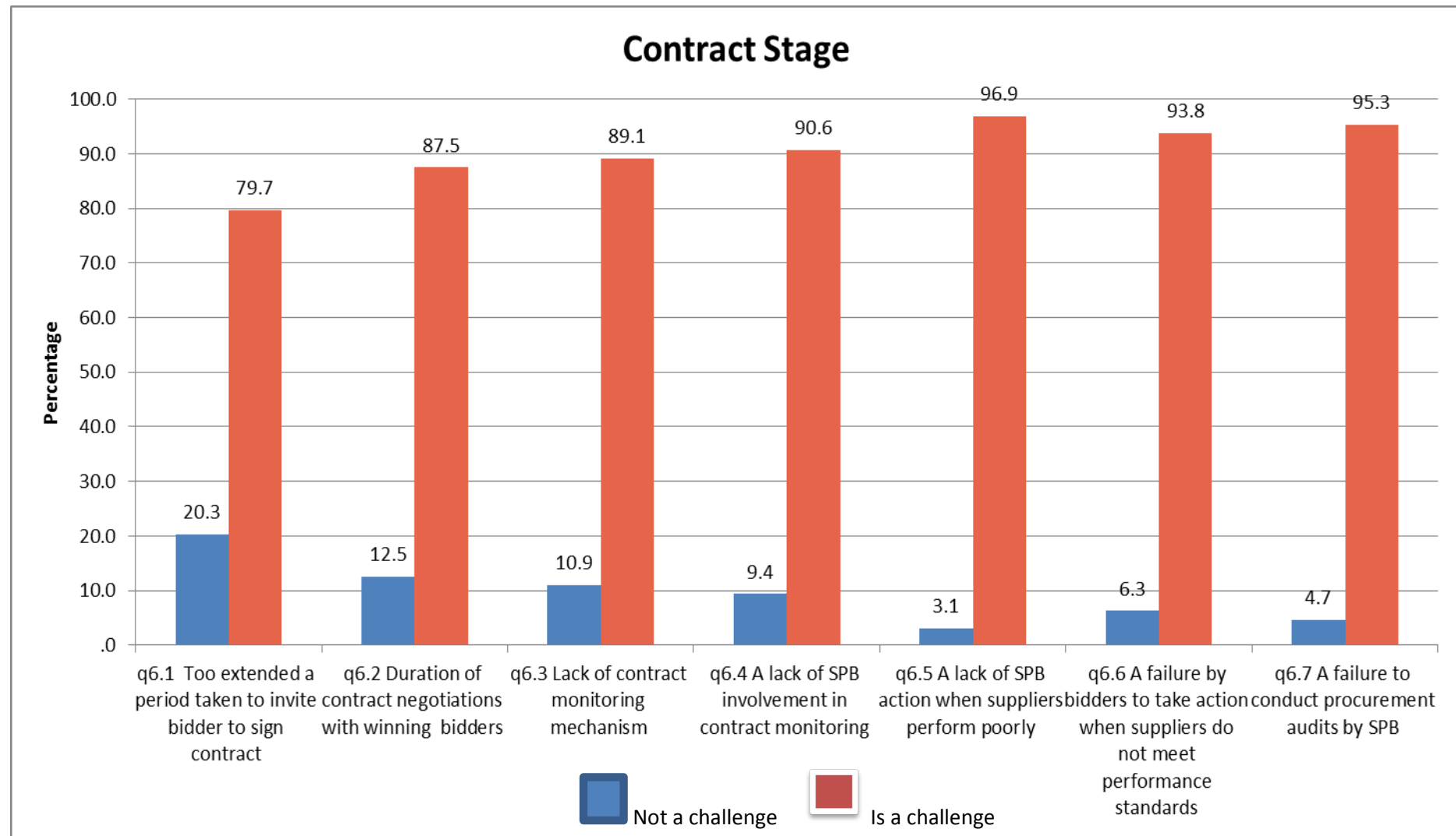
Award Stage challenges



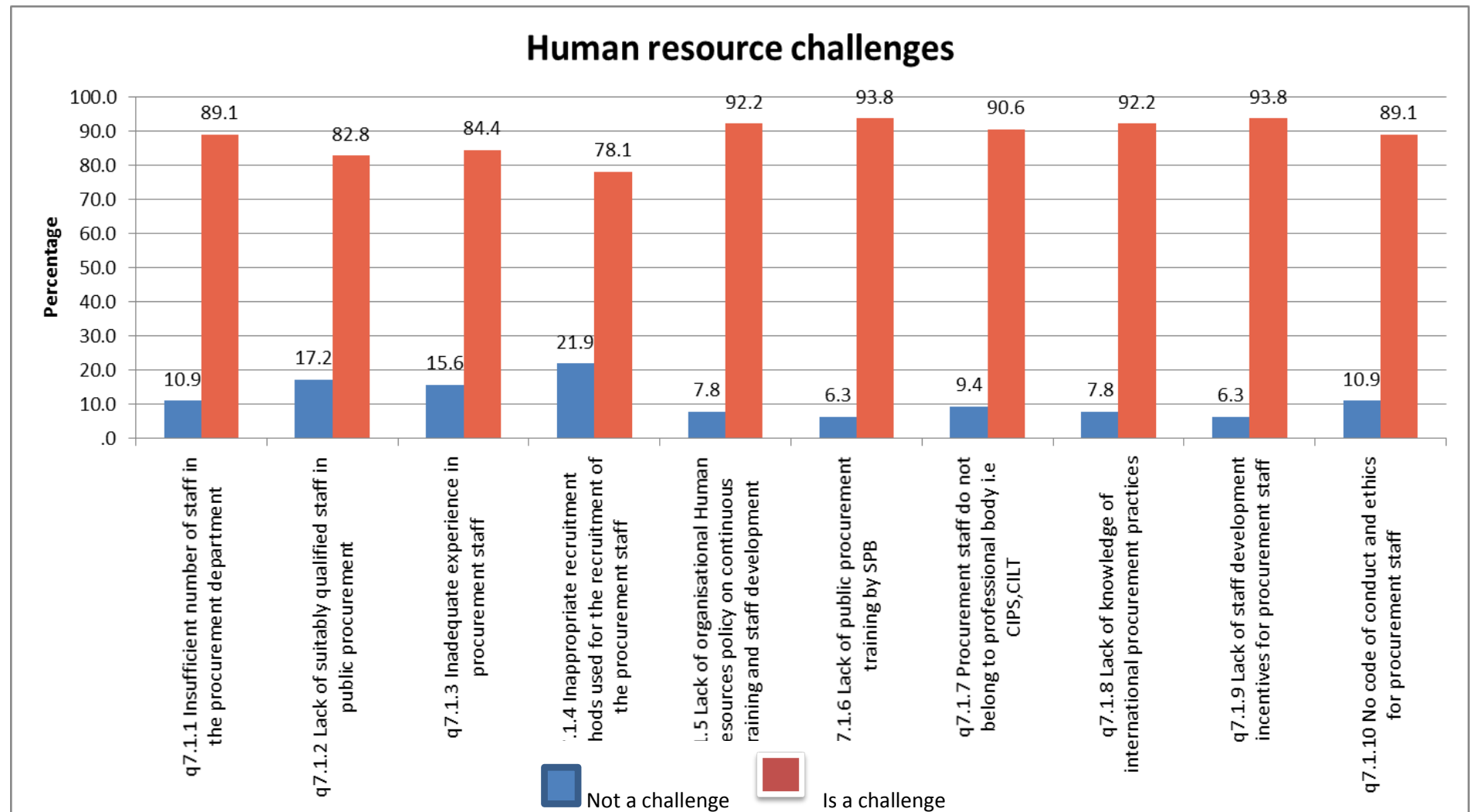
Award stage: Average extent Score



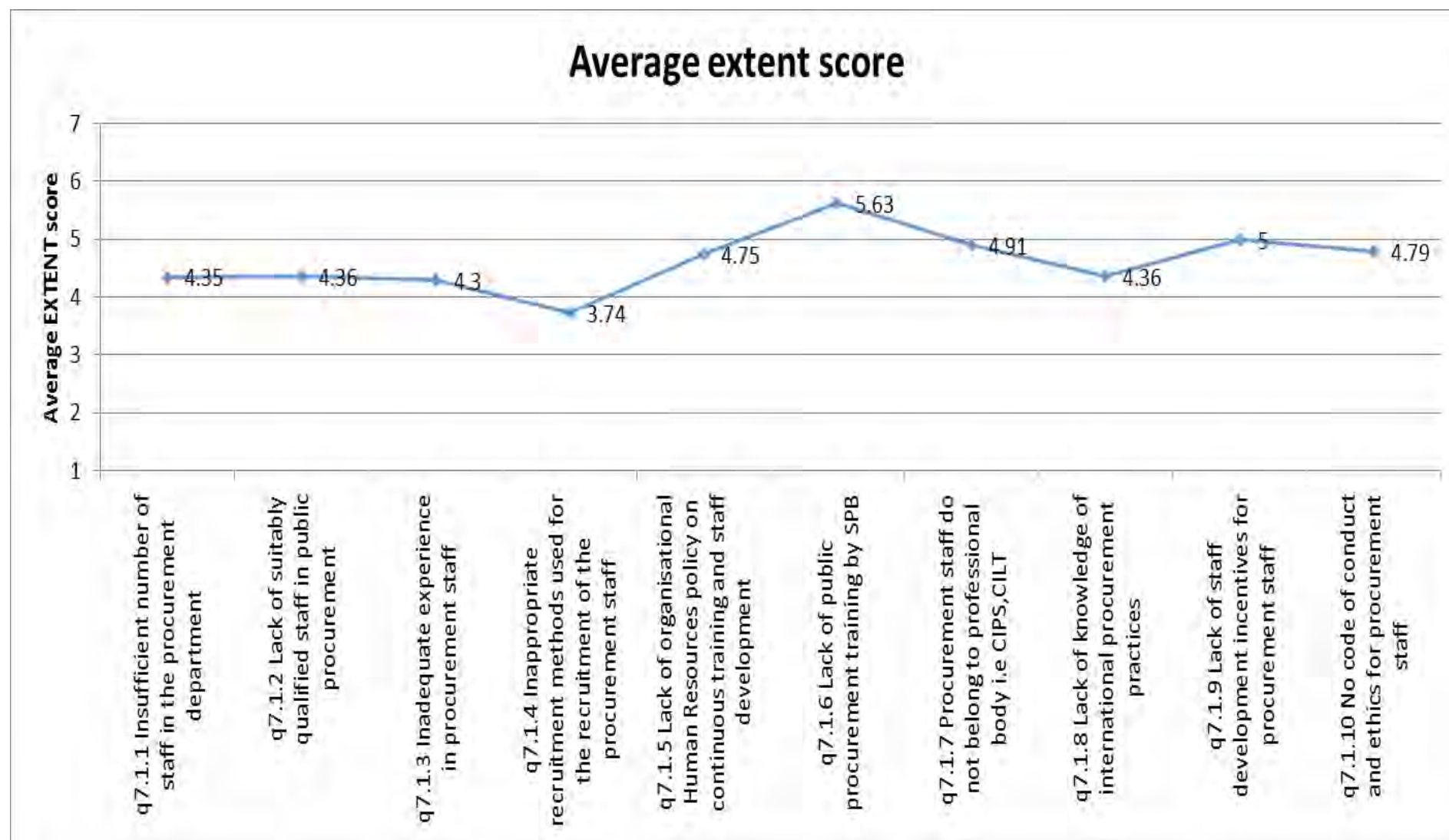
Challenges in the contract stage



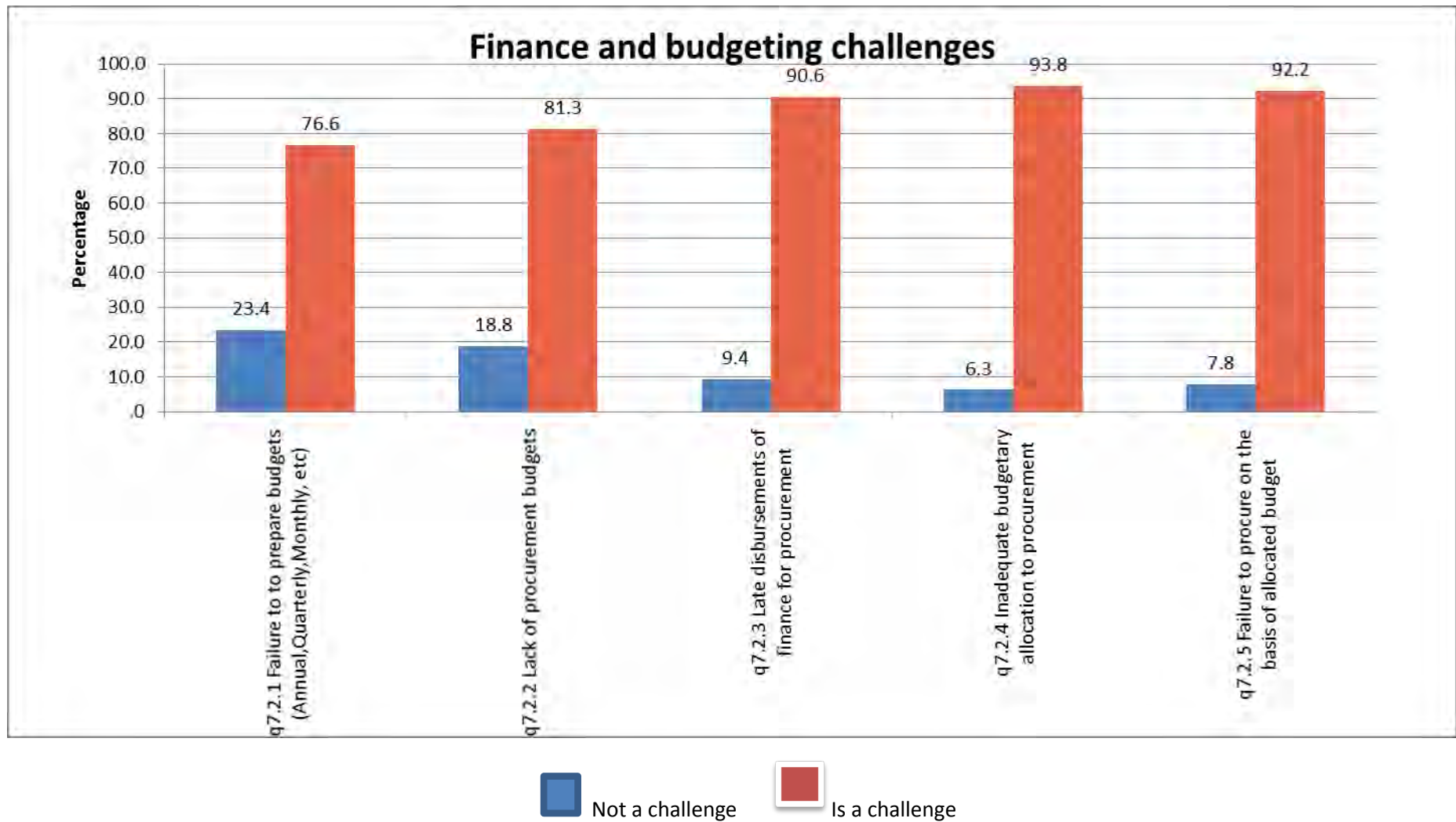
Human Resources Challenges



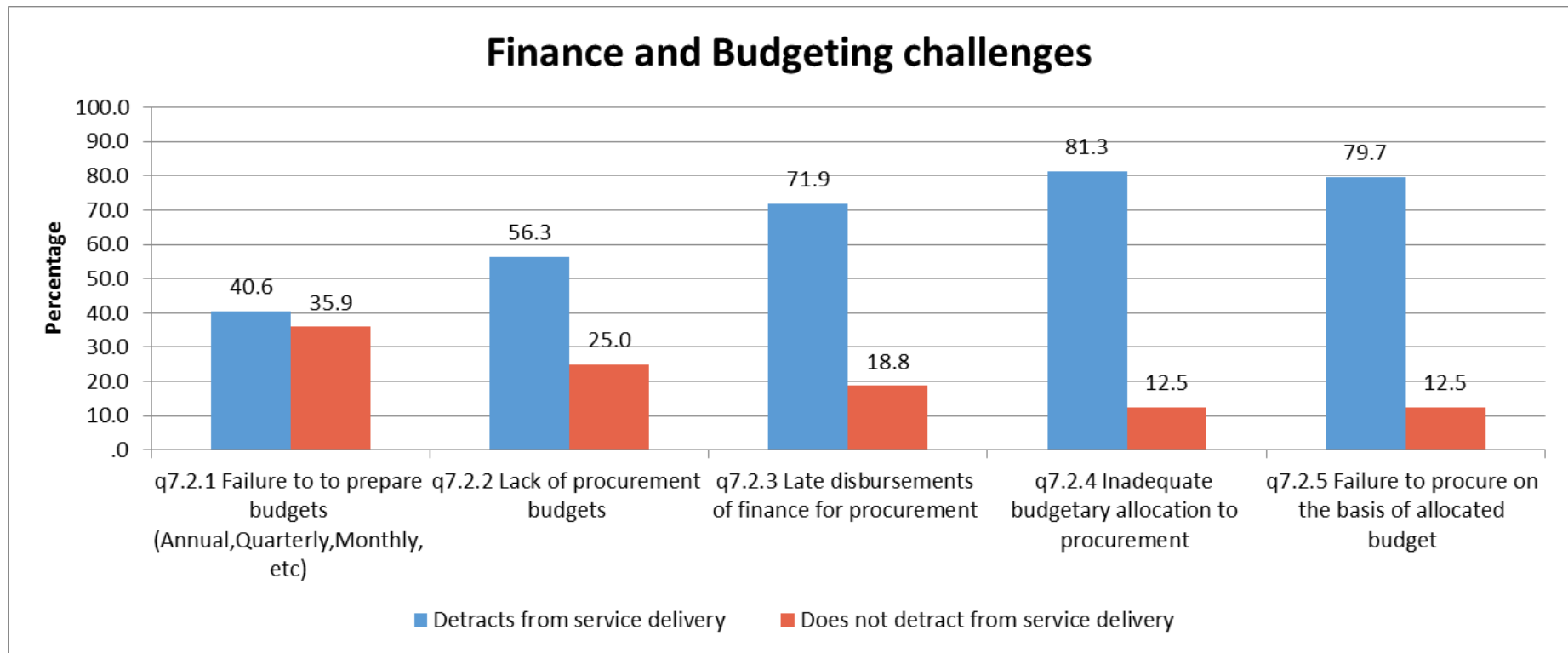
Human Resources Challenge: Average extent Score



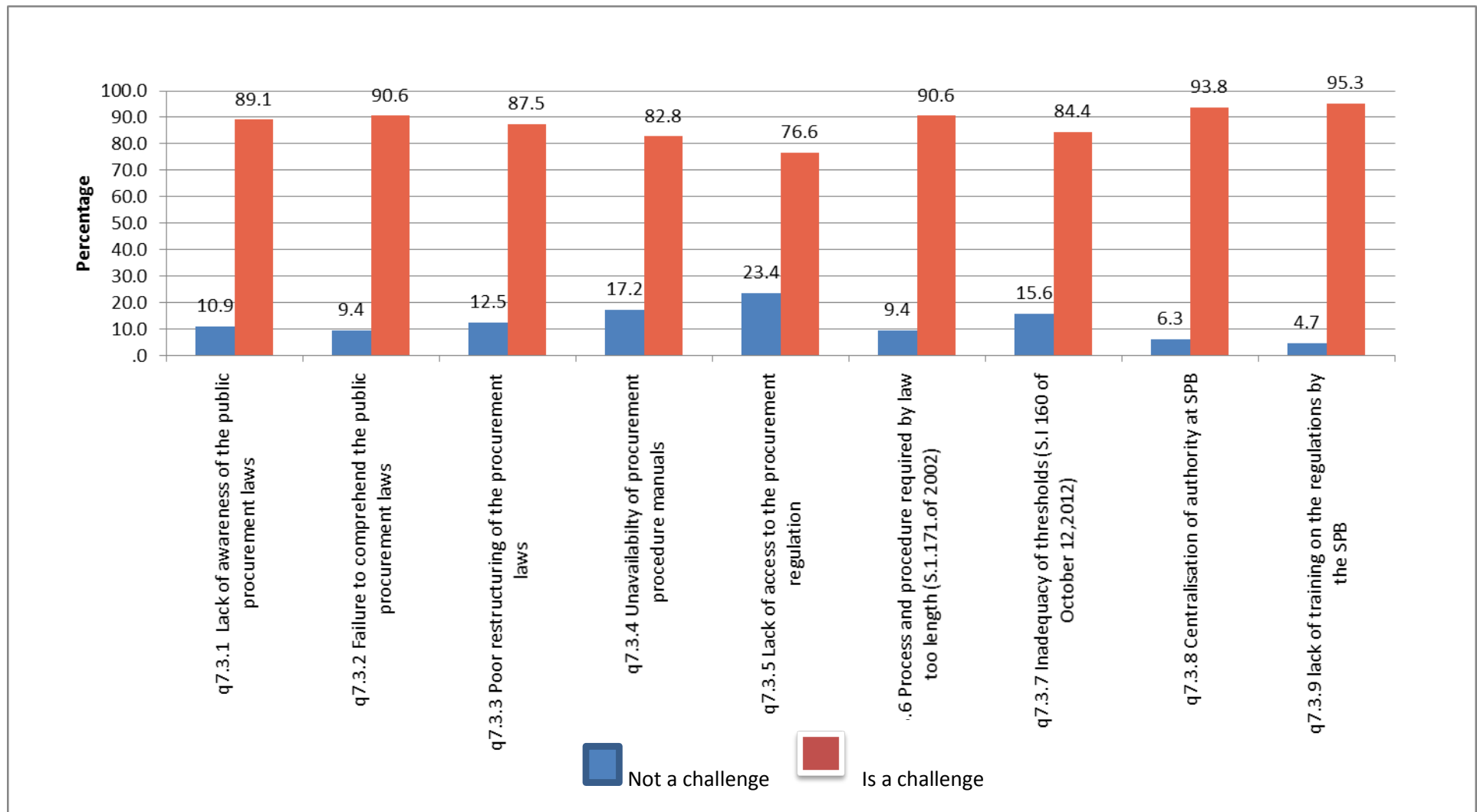
Finance and budgeting challenges



Average Extent Score



Public Procurement Legal Framework challenges



Average Extent Score: Legal Framework

