
Procurement Contracts Management And Service Delivery In Mbarara District Local Government

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Abstract

The main objective of this study was to investigate and analyze the impact of procurement contracts management practices on the overall service delivery outcomes within the specific context of Mbarara District. The study was guided by the following research objectives; to examine the importance of procurement contract administration at Mbarara District Local Government, to identify the factors that affect service delivery at District Local Government and to find out the relationship between procurement management and service delivery. The study was conducted in Mbarara District local government in Mbarara District. This choice was motivated by a specific concern about the observed poor quality of service delivery, which was potentially attributed to inadequate procurement contracts management practices in Mbarara District Local Government. The study used a cross-sectional design which was used in assessing respondent's views towards the procurement contract management and service delivery in Mbarara District local government. The target population of the study was Mbarara District local government officials, Budget committee members, service providers and other authorized beneficiaries who made a total population of 141 people. It was from this population that 104 respondents were sampled. Quantitative and qualitative research methods were used to collect the data required for the study. From the findings, majority 33(32%) of the respondents revealed that procurement contract administration ensures transparency and accountability in the procurement process. It involves monitoring and managing contracts to ensure that they are awarded fairly, competitively, and in accordance with set procurement rules and regulations, followed by 30% of the respondents said that effective procurement contract administration helps MDLG identify, assess, and manage potential risks associated with contracts. The researcher concluded that contract administration through procurement planning, record keeping and contract execution assist the entity in achieving value for money procurement. The study finally concludes that delivery management is more significant in contract management than contract administration and recommended that Enhance Procurement Training: Invest in continuous training for procurement professionals to ensure they have the skills necessary for effective contract management, risk mitigation, and negotiation, Strengthen Supplier Relationship Management: Foster strong relationships with suppliers through effective communication, collaboration, and performance reviews. This will contribute to supplier commitment and reliability in meeting MDLG's needs.

Keywords: Procurement, Contracts, Management And Service Delivery

Background to the study

According to (K. Faridah et al., 2023), purchasing procedures focus on anticipating requirements, sourcing and acquiring supplies, moving supplies to the company, and tracking the position of supplies as a current asset. Contributions from purchasing practices

are reported in terms of cost, delivery, quality and flexibility, which affect the organization's ability to meet customer requirements (N. Faridah et al., 2023). Procurement practice refers to the process of deciding on purchase requirements and planning their purchase

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and financing of entire processes. It creates superiority that drives the procurement engine (Zowena et al., 2023). A mistake in procurement procedures can lead to several concerns of the organization that can hinder progress (Van-Wheel, 2005). Davis (2014) defines service delivery as the extent to which a service has been provided to communities as recipients of specific services (Ntirandekura & Friday, 2022). It is a set of principles, standards, principles and constraints used to support the development, design, operation, deployment and retirement of the services provided. Development means bridging the gap between the rich and the poor through imitation processes in which the poor gradually adopt the qualities of the rich (Gracious, 2023). It is well known that under the Local Government Act, the Constitution and other legal regulations under study, the concept of provision of services has not been defined either intentionally or out of ignorance. However, it is stated that a service can be viewed as a system or arrangement that provides for public needs (Christopher, Muhindo, et al., 2022). In the Ugandan context, procurement forecasting is part and parcel of the usual preparation that is now well known in local governments. The obligation to plan in local governments follows from rule 62 of local governments (Jac & Kazaara, 2023). The units draw up an annual budget of works for procurement based on the approved budget. The procurement plan must be linked to the

Statement of the Problem

Procurement plays a key role in the operational efficiency and service delivery of Mbarara District Local Government (Christopher, Muhindo, et al., 2022). However, problems in procurement management processes can hinder the smooth delivery of services, which can lead to inefficiencies and suboptimal outcomes for the community. Identifying and addressing these issues is critical to ensuring transparent, accountable, and effective procurement practices that are consistent with the District's commitment to public service excellence (Christopher, Moses, et al., 2022). Therefore, this

annual sectoral expenditure program to improve financial accounting and management of public procurement budgets (Akankwasa et al., 2022).

The joint work plan for the procurer and publisher will contain details of the activities of works and services to be procured, a schedule of procurement requirements in order of importance. District councils develop a combined development strategy with all local government plans for submission to the National Planning Authority (Annet et al., 2023). In accordance with Article 194 of the Constitution of the Republic of Uganda, the central government is mandated to transfer funds in the form of grants to local governments to support them in the discharge of their duties (Ntirandekura et al., 2022).

Mbarara District Local Government allocates funds for the cost of procurement/procurement of contractors for contract management under various projects in each financial year. The district usually invites eligible, competent and reputable firms to submit bids for public procurement activities in the form of Mbarara District detailed contract notices (Frank et al., 2023). Tenders are normally conducted in accordance with the Government of Uganda Public Procurement and Management of Public Property Regulations (2006). Therefore, it is worth evaluating the extent to which the procurement activities have provided the required services to the people in this district.

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study was undertaken to investigate and understand the existing challenges in the management of public procurement contracts in Mbarara District Local Government and their direct implications for service delivery. By addressing these challenges, the research aimed to contribute to the overall improvement of governance and the quality of services provided to the local population.

Specific Objectives of the study

1. To examine the importance of procurement contract administration at Mbarara District Local Government
2. To identify the factors that affect service delivery at District Local Government
3. To find out the relationship between procurement management and service delivery

Methodology

The study used a cross-sectional design which was used in assessing respondent's views towards the procurement contract management and service delivery in Mbarara District local government (Nafiu & Ph, 2012). This type of research design utilized different groups of people who differ in variable of interest, but share other characteristics such as social-economic status; education background etc. cross-sectional research design is designed to look at a variable at a particular point in time and focuses on finding relationship between variables at a specific point in time (Nafiu & Ph, 2012). The study was carried out in Mbarara District local government in Mbarara District, this is because there is a special concern about the poor quality of service delivery which could be attributed to poor procurement contracts management used in Mbarara District Local Government compared to other local governments in Uganda (Nafiu et al., 2013). It is also the aggregate of all cases that conform to some designated set of specifications (Chein, 1959) quoted in Madueme (2010, p.71). Such specifications may be people, subjects, items, sectors, animals and so on. The target population of the study was Mbarara District local government officials, Budget committee members, service providers and other authorized beneficiaries who made a total population of 141 people. It was from this population that 104 respondents were sampled. This method was chosen because of its representative nature and its optimality in estimating a single population (Nafiu et al., 2017).

Where n = minimum sample size

N = target population

e = level of significance (0.05)

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{141}{1 + 141(0.05)^2}$$

$$n = \frac{141}{1 + 141 * 0.0025}$$

$$n = \frac{141}{1 + 0.3525} = 104.25 \cong 104 \text{ respondents}$$

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The table below gave the selected overview of the population, sample and sampling procedure

After determining the sample size of 104 respondents, the researcher formulated a procedure for selecting the subjects to be included in the sample (Olanrewaju et al., 2021). A purposive sampling technique was employed for the qualitative study, while a multi-stage sampling system was used for the quantitative study. The objective of these probability-sampling techniques was to select a reasonable number of subjects that would effectively represent the target population. The questionnaire was designed to explore the key research questions of the study (Jallow et al., 2021). The researcher chose this method due to its effectiveness in soliciting information from several respondents within a short time, as supported by Gupta (2011). Respondents were given time to consult records for sensitive questions and provide truthful answers.

Quantitative and qualitative research methods were used to collect the data required for the study. Several research instruments were employed, including interview guides, questionnaires, and documentary study. This mixed-methods approach allowed for a comprehensive examination of the research topic, combining the strengths of both quantitative and qualitative data to provide a well-rounded understanding of procurement contracts management and its impact on service delivery in Mbarara District local government (Olanrewaju et al., 2021). Data was collected by the researcher through the use of questionnaires. Questions were set on papers and given to respondents who were able to read and write. After filling out the questionnaires, the researcher collected the answered forms, allowing for the compilation of information from the field. This method was chosen for its time-saving benefits, as respondents could fill out the questionnaires at their convenience without the direct participation of the researcher. The quantitative data involved information collected from the questionnaires exclusively. Data from the field was considered too raw for proper interpretation; therefore, it was crucial to organize and structure it to extract meaning and information. The raw data obtained from the questionnaires was cleaned, sorted, and coded. Subsequently, the coded data was entered into the computer, checked for accuracy, and subjected to statistical analysis using the SPSS computer package (Nelson et al., 2022). This analysis aimed to generate descriptive and inferential statistics. Descriptive analysis was applied to describe the primary variable and associated indicator items related to the study objectives. This process allowed for a comprehensive understanding of the quantitative data collected during the research. Editing was performed to ensure coherence, comprehensiveness, legibility, and completeness in both qualitative and quantitative data analysis. In qualitative data analysis, editing aimed to eliminate errors and omissions (Nelson et al., 2023). Coding was employed to create data categories for classifying the information, including code categories, themes, and classifications. In quantitative data analysis, the process involved manual tabulation of data, generating rates, quantities, percentages, frequencies, and utilizing graphical representations such as bar graphs, pie charts, and line graphs.

RESULTS

Table 1 Showing the importance of procurement contract administration at District Local Government.

	Frequency	Percentage
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Transparency and Accountability	33	32
Risk Management	31	30
Cost Savings	27	26
Compliance	13	12
Total	104	100

Source; Field 2023

Findings from table 1 indicates that majority 33(32%) of the respondents revealed that procurement contract administration ensures transparency and accountability in the procurement process. It involves monitoring and managing contracts to ensure that they are awarded fairly, competitively, and in accordance with set procurement rules and regulations, followed by 30% of the respondents said that effective procurement contract administration helps MDLG identify, assess, and manage potential risks associated with contracts (Faith et al., 2023). This process includes monitoring supplier performance, managing changes to contracts, and ensuring compliance with contract terms and conditions, 27(26%) of the respondents said that procurement contract administration leads to significant cost savings for MDLG. Through effective contract management, MDLG can ensure that contracts are accurately priced, terms and conditions are clearly defined, and payment schedules are appropriately managed and finally, 13(12%) of the respondents said that Procurement contract administration plays a key role in ensuring that contracts are awarded in accordance with relevant laws and regulations.

Table 2 Showing factors that affect service delivery at District Local Government

	Frequency	Percentage
Budget Constraints	29	28
Human Resources	27	26
Infrastructure	11	11
Political Factors	10	10
Stakeholder Coordination	9	9
Community Participation	7	7
Technological Advancements	6	6
Legal and Regulatory Framework	5	5
Total	104	100

Source; Field 2023

Table 2 indicates that majority 29(28%) of the respondents revealed that financial limitations often have a direct impact on the capacity of local governments to provide essential services. Inadequate funding can result in insufficient resources, leading to poor service quality and inefficiencies, 26% of the respondents said that the availability and competency of human resources play a significant role in service delivery (Christopher, Muhindo, et al., 2022). As a result, consideration

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should be given to address the questions in the procurement contract literature as to how the supplier can provide the buyer with sufficient flexibility while not assuming all the risk due to demand uncertainty. 11% of the respondents said that the quality of infrastructure, such as roads, public buildings, and utilities, is essential for the smooth delivery of services. Poor infrastructure can create bottlenecks and impede the efficient functioning of local government services, 10% of the respondents said that political ideologies, leadership styles, and the political climate can influence the prioritization and allocation of resources for service delivery. This can lead to biased or inefficient decision-making, affecting the overall quality of service delivery, 9% of the respondents revealed that Effective service delivery often requires collaboration between various stakeholders, such as government agencies, non-governmental organizations, and community groups (Ntirandekura & Friday, 2022). Poor coordination among these stakeholders can lead to inefficiencies and delays in service provision, 7% of the respondents said that the level of community engagement and participation in local government decision-making processes can impact service delivery (Edgar & Moses, 2023). A lack of community involvement can lead to services that do not adequately address the needs and priorities of the community, 6% of the respondents said that technological advancements can play a crucial role in improving service delivery.

Table 3 Showing the relationship between procurement management and service delivery

	Frequency	Percentage
Quality Assurance	22	21
Cost Efficiency	19	18
Risk Management	16	15
Supplier Relationship Management	15	14
Customer Satisfaction	14	14
Service Level Agreements	10	10
Continuous Improvement	8	8
Total	104	100

Source; Field 2023

Findings from that study shows that 21%of the respondents who were the majority revealed that Procurement management ensures that the goods and services acquired meet the organization's quality standards and specifications. This is vital for service delivery, as it guarantees that the end products or services provided will meet customer expectations and requirements, followed by 18% of the respondents said that Procurement management aims to optimize the cost of goods and services by leveraging the organization's buying power and negotiating favorable contracts (N. Faridah et al., 2023). This translates into cost savings, which can be passed on to the end customer, or used to improve the overall quality of the service delivered, 15% of the respondents said that revealed that Procurement management involves identifying and mitigating potential risks associated with supplier relationships and the acquisition of goods and services. This is essential for service delivery, as it helps ensure that potential disruptions or issues are addressed proactively,

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minimizing their impact on the overall service delivery process, 15(14%) of the respondents said that Building strong relationships with suppliers is an integral part of procurement management (Racheal et al., 2023). This helps ensure that suppliers are committed to meeting the organization's needs, which in turn contributes to the successful delivery of services. It was also revealed by 14% of the respondents that service delivery relies on the quality, cost, and timeliness of the goods and services provided.

Conclusions

Based on the results, the researcher concluded that to ensure the delivery of cost effective and reliable services at an agreed price and standard; then the procuring and disposing entity need to take responsibility of contract management in the entity since they are the initiators of procurement. The PDE should track and manage the contract terms and conditions to ensure that both parties meet planned targets as in the agreement while the other actors like Office of the Inspectorate of Government, Auditor General, Civil Society Organisations should play oversight role. The study found that there was no significant positive relationship between contract administration and service delivery which implies that contract administration and service delivery (variables) are independent. Although there is no significant relationship between the variables, the activities of contract administration (monitoring performance of the contractor in terms of quality standards and delivery time while considering value for money, effecting acceptance and payment, initiating amendments and intervention whenever there is dispute among others) are so important in relationship management and delivery management for the outcome of procurement in Uganda Local Governments especially Mbarara district.

The researcher further concludes that contract administration through procurement planning, record keeping and contract execution assist the entity in achieving value for money procurement. The study finally concludes that delivery management is more significant in contract management than contract administration.

Recommendations

Enhance Procurement Training: Invest in continuous training for procurement professionals to ensure they have the skills necessary for effective contract management, risk mitigation, and negotiation.

Strengthen Supplier Relationship Management: Foster strong relationships with suppliers through effective communication, collaboration, and performance reviews. This will contribute to supplier commitment and reliability in meeting MDLG's needs.

Improve Risk Management Protocols: Develop and implement robust protocols for identifying and mitigating risks associated with procurement activities. This will enhance MDLG's ability to proactively address potential disruptions.

Optimize Cost Control Measures: Continuously explore opportunities for cost optimization through strategic negotiations, bulk purchasing, and other cost-saving initiatives. Allocate the resulting savings strategically to enhance service delivery.

Review and Update SLAs: Regularly review and update Service Level Agreements to ensure they align with the organization's evolving needs and performance expectations. This will contribute to improved contractual relationships and service delivery outcomes.

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Embrace Technological Solutions: Explore and adopt technological advancements in procurement management to streamline processes, improve efficiency, and stay abreast of industry best practices.

Promote Cross-Functional Collaboration: Encourage collaboration between procurement and other relevant departments to ensure alignment of procurement activities with broader organizational goals and strategies.

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