

DETERMINANTS AND CONSTRAINTS TO EFFECTIVE PROCUREMENT MANAGEMENT IN
GOVERNMENT PROJECTS:
A PRACTITIONER'S PERSPECTIVE

DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF
MASTERS IN PROCUREMENT AND SUPPLY MANAGEMENT

SUBMITTED BY

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OCTOBER, 2015



BRAC INSTITUTE OF GOVERNANCE AND DEVELOPMENT
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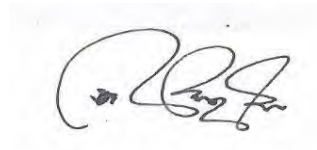
DECLARATION

I, the undersigned, hereby declare that I am the sole author of this thesis. The thoughts, investigation, findings, analyses, and implications presented in the thesis entitled “Determinants and Constraints to Effective Procurement Management in Government Projects: A Practitioner’s Perspective” are entirely my own endeavor, except where otherwise acknowledged.

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ACKNOWLEDGEMENTS

Firstly, I would like to extend my sincere gratitude to my supervisor Dr.Md. Wahidul Habib, Assistant Professor, Faculty of Business, ASA University, Bangladesh for his guidance, assistance and direction. His patience, motivation, and immense knowledge helped me in all the time of the research and writing of this thesis. I could not have imagined having a better advisor and mentor for my study.

I express my heartfelt gratitude to the experts, practioners of public procurement of various public projects/ departments in Bangladesh who have spent their valuable time and effort by providing data, information and suggestions. Their insightful comments and encouragement incented me to widen my research from various perspectives.

I express my sincere thanks to my colleague Ms. Asura Akter, for extending her cooperation in data entry, analysis and writing of this thesis paper.

Last but not the least; I would like to thank my family, for supporting me throughout writing this thesis and my life in general.

Finally I would like to express my gratitude to the resource persons, program advisors and staffs of the BIGD of BRAC University

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ABSTRACT

Procurement management in public procurement has significant implications for service delivery. Any challenges accruing from this function pose several challenges. Yet, procurement management offers an important framework for ensuring the success of any project undertaking. Despite its importance, limited scientific research has been undertaken to examine the factors that influence procurement performance in Bangladesh. An understanding of the determinants and constraints to effective procurement management provided an impetus for the study. Data were collected from 34 respondents (procurement practitioners) using purposive sampling. A semi structured questionnaire as a data collection instrument was developed. The study identified multifactorial influences to effective procurement management. The major determinants found are the factors related to strategic planning, organizational culture, staff competency, organizational capacity that positively affected procurement performance. Various factor related to socio-political, ethical, and resource allocation constraints effective procurement management. These findings offer a useful foundation for policy and practical improvement in this important area.

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CHAPTER-1:

INTRODUCTION

1.1 INTRODUCTION

Procurement Management in public sector projects has significant implications for timely achievements of project objectives and also ultimate service delivery. Any challenges accruing from this function pose several challenges. Yet, procurement management offers an important framework for ensuring the success of any projects undertaking. An understanding of the determinants and constraints to effective procurement management in public sector projects provided an impetus for my study.

A significant portion of the budget in government projects spends in procurement. The goal of project procurement management is to provide the required goods, services and works to the project to ensure that the project achieve its timely delivery. This ought to be complimented by effective procurement management. However, existing experiences and literature alludes to several challenges in project procurement management in government sector. Meanwhile project procurement management continues to receive less attention from policy makers and academics. Despite the importance of government projects procurement management, researchers are unable to empirically and systematically pinpoint the determinants and constraints. There is little information on the effectiveness of procurement management specific to public procurement.

In Bangladesh, little empirical evidence does exist on the determinants and constraints to effective project procurement management based on practitioners' view point. Conceptually, project procurement management has become a megatrend in many public entities especially as result of government regulations/donor requirements/procurement guidelines. Government of Bangladesh enact of Public Procurement Act in 2006 and Public Procurement Rules in 2008. Compliance with the Act and Rules is a must for every entity which uses public fund. As a result the public demand for increased transparency in public procurement; and greater concerns about efficiency, fairness and equity. Additionally public procurement professionals have faced a constantly changing environment typified by rapidly emerging technologies, increasing product choice, environment concerns, and the complexities of international and regional trading agreements. Further, policy makers have increasingly used public procurement as a tool to achieve

socioeconomic goals. However, project procurement management challenges in public organizations are endemic due to lack of understanding of project management and procurement processes, skill procurement personnel, transparency and poor record keeping.

Successful procurement management and completion is often defined, as procurement of the right item, in the right quantity, for the right price, at the right time, with the right quality, from the right source. Proper and effective management and monitoring of procurement helps improve the quality of goods and services and reduces procurement cost thus achieving three broad goals: quality products and services, timely delivery of products and services, and cost effectiveness (within budget).

The main problem in public projects in Bangladesh is that, projects does not end timely, project budget exceeds what was planned, the quality is often is not satisfactory. The main reasons behind that are procurement is not completed timely, procurement cost increases, performance of the supplier is not satisfactory, and quality of the procured item is not satisfactory. Often procuring entities give full attention to the contract selection process, but then walk away from the procurement once the contractor is in place. In this study, I aimed at identifying the determinants and constraints to effective procurement management in government projects in Bangladesh from a practitioner's perspective.

1.2 RESEARCH PROBLEM

There is no much doubt that there has been growing interest in procurement management in the developed world and hence the many studies of procurement and management. Despite the emphasis and regulatory framework on public procurement (PPR by the GOB), government projects have continuously shown procurement management as one of the areas where performance of public entities is poor. There are significant variances between the actual and indicative time frames in procurement completion. Other variances are with regard to the actual and indicative budget. While some projects, skill procurement personnel are absent.

Sometime projects stuck into contract with inefficient supplier. This cast doubts on procurement management compliance which maybe hamper service delivery and value for money. Despite the fact that projects are made in good spirit, little importance is given to the management of procurement. This cast doubt whether procurement management stage is really taken seriously. If the likely determinants and constraints are ignored, public entities are more likely to suffer shocks that may even bring the institutions to their ‘bended knees’. Inevitably government/ organizations will eventually encounter poor service delivery resulting in loss of citizen confidence, deteriorating institutional reputation, projects fall into question of corruption, face the challenge of getting increased budget.

This study sought to make a contribution by conducting an exploratory study that would form a basis for developing a model of the determinants and constraints to effective procurement management specifically in public procurement. It is hoped that the findings will enable scholars and practitioners appreciate the factors and constraints that explain procurement management in public entities in Bangladesh and more empirical studies will be conducted to systematically formulate relevant models.

1.3 AIM

The aim of the study is to identify/explore the determinants and constraints that influence effective procurement management in public sector projects.

1.4 SPECIFIC OBJECTIVES

- To identify the factors that determine procurement of goods, works or services at the right time, at the right price, at the right quantity, at the right quality.
- To identify the factors that constraints the procurement of goods, works or services at the right time, at the right price, at the right quantity, at the right quality.

1.5 RESEARCH QUESTIONS

- What are the determinants of effective procurement management?
- What are the constraints of effective procurement management?

1.6 RATIONALE OF THE STUDY

Although public procurement is perceived as a major function of government, and although governmental entities, policy makers and public procurement professionals have paid a great deal of attention to procurement improvements or reforms, public procurement has been a neglected area of academic education and research.

Despite the reforms in public procurement it still suffers from poor performance characterized by non-compliance with the Act, slow with a lot of bureaucracy, overspending, poor planning, poor project monitoring, need for more transparency and accountability, eradication of wastage and corruption, addressing collusion in the tender evaluation and award, inadequate training of the procurement personnel. In this environment, public procurement has become much more complex than ever before, and public procurement officials must deal with a broad range of issues.

They have been walking on a tight rope in:

- Satisfying the requirements of fairness, equity and transparency;
- Maintaining an overarching focus on maximizing competition; and
- Utilizing new technology to enhance procurement efficiency, including e-procurement.

This study therefore seeks to explore the determinants that influence effective procurement management. It will also identify the constraints of procurement management in public sector projects.

CHAPTER-2:
RESEARCH METHODOLOGY

2.1 RESEARCH DESIGN

This study was exploratory intended to validate the determinants and constraints of procurement management in public sector projects of Bangladesh. Exploratory studies (termed as formulative research studies) have their main purpose as being formulating a problem for more precise investigation or being the development of the working hypotheses from an operational point of view (Kothari, 2004). In such studies, the major emphasis is the discovery of ideas and insights. Exploratory studies are undertaken when not much is known about the situation at hand, or no information is available (Sekaran, 2003, p.119). A comprehensive literature were reviewed which gave foundation to develop basic guiding framework upon which my assumptions and argument was developed. The idea was to use this framework to confirm or reject the argument from a purely practitioners' view point.

Constraints and determinants of procurement management in government projects in Bangladesh have limited information and the subject has not been studied and therefore less understood. In particular, there is lack of systematic efforts in documenting the determinants and constraints which supposedly favor its adoption in the country's public sector context. Such circumstances favor the use of exploratory research approaches. According to Amin (2005, p. 201), exploratory research may take the form (1) review of available literature, (2) expert surveys, (3) analysis of case studies and (4) pilot studies. In my study expert interviews was used as described above.

2.2 TARGET POPULATION

The target population of the study was procurement practitioners involved in procurement activities at different government department, projects, and donor agencies. According to Sekaran, (2005), population is a group of individuals, objects or items from which samples are taken for measurement or it is an entire group of persons, or elements that have at least one thing in common. The study targeted the procurement practitioners of different government projects only.

2.3 SAMPLING FRAME

The purpose of sampling was to gain an understanding about some features or attributes of the whole population based on the characteristics of the sample. A sampling frame is the list of all the items where a representative sample was drawn for the purpose of research. This study used purposive sampling. This method exposes the researcher to various stakeholders who have different experiences with the issues of the study. The selection criterion was based on the direct involvement in procurement activity. In this study, a sample size of 34 practitioners (procurement manager, experts, consultants, officials) was used for the survey. Though Mugenda and Mugenda, (2003) asserts that sampling is that part of the statistical practice concerned with the selection of individual or observations intended to yield some knowledge about a population of concern, especially for the purposes of statistical inferences. They advise that a researcher would have to use 30% of the total target population as a sample size for it to be accepted as a good representative sample. As the study population was big, it was not possible for the researcher to work with a large sample. For this reason 34 samples were purposively selected for the study. All the respondents were from procurement background. They were selected on the basis of their experiences and knowledge on the field of the study.

2.4 SAMPLING METHOD

The sample of respondents for this survey was selected to their relevance to the focus and purpose of the study. The study population was selected on the basis of their experience, knowledge and involvement in public procurement. Sample size was 34 and they were selected on the basis of judgment sampling procedure.

2.5 DATA COLLECTION INSTRUMENT

Given the infancy of the subject in the field of public procurement, I reviewed extensive international literature and case studies on procurement management. A quantitative approach was used and largely descriptive relying on responses from procurement professionals, project directors, evaluation/procurement committee

members, heads of departments and heads of section and evaluation committee members. The aim was to build theory about procurement management in Bangladesh. To collect data, a self-administered questionnaire was used as the survey instrument. The data collection instrument used was a Questionnaire which was designed using the variables identified as important for meeting the research objectives. A semi-structured questionnaire was administered to the respondents. The questionnaire was used since it was easy to administer and with data obtained easy to analyze. The responses are expected on a five-likert scale (5 = Extremely influential, 4 = Very influential, 3 = Somewhat influential, 2 = Slightly influential, and 1 = Not at all influential)

2.6 PILOT TESTS

The Research instrument was pre-tested to increase the validity of the responses. Mugenda and Mugenda (2003) suggest that pre-testing allows errors to be discovered. Expert validity views and suggestions of the supervisors' initially incorporated in the questionnaire. Then pre-testing was conducted on 3 respondents. However, these respondents were not included in the study sample. As a result of the pilot test, changes in words selection and instructions made to the questionnaire. Regular cross checking and follow ups were done to ensure accuracy, relevance, completeness, consistency and uniformity of the data collected.

2.7 DATA COLLECTION PROCEDURES

The questionnaire was administered using e-mail. The respondents in the questionnaire were 34. (Please see Appendix -2, for details of the Data Collection Instrument). The primary source of data collection method used in the study included use of questionnaire that was used to source for crucial information from the respondents. The secondary data was attained from the written materials which included the journals magazines, and other past studies and other relevant books. This enabled the researcher to compare the data from the questionnaires with the written materials. This helped to enable effective data collection and analysis.

2.8 DATA ANALYSIS

Data were analyzed by descriptive statistical tools. Sekaram, (2003) asserts that there are three objectives in data analysis; getting a feel for the data, testing the goodness of the data, and answering the research question. He notes that, establishing the goodness of data lends credibility to all subsequent analysis and findings because it measures the reliability and the validity of the measures used in the study. After gathering data from questionnaire schedules, they were checked adequately for reliability and clarification. The data was analyzed using quantitative techniques, whereby the findings was presented in the form of frequency distribution tables and charts while qualitative techniques was incorporated in the study to facilitate description and explanation of the study findings. This created good understanding of the study findings. The collated data was entered into a computer and analyzed using Microsoft Excel. The results were presented in form of frequency tables, and bar graphs.

CHAPTER-3:
LITERATURE REVIEW

3.1 REVIEW OF LITERATURES

3.1.1 Michael Musanzikwa (2013), in his study *'Public procurement system challenges in developing countries: the case of Zimbabwe'* tried to address the extent to which the procurement systems have resulted in disgruntlement by pressure groups like the Affirmative Action Group (AAG) and the Upfumi Kuvadiki over the awarding of tenders to foreign owned companies. The study adopted a qualitative research design because it provided flexibility and afforded the researcher the opportunity to conduct an in-depth research. Case studies on major government projects such as the supply of prepaid meters for the Zimbabwe Electricity Supply Authority (ZESA), the construction of the airport road in Harare and the expansion of Gokwe District Hospital were conducted. The findings suggest that most of the people tasked with the responsibility to procure resources are incompetent. For example the tender to supply ZESA with prepaid meters was flawed since it was the State Procurement adjudicators who were at fault. There was evidence of inadequate market enquiry in the awarding of most tenders, for example the City of Harare lost \$80 million dollars in the construction of a 20km road instead of incurring a cost of around \$10 million dollars. Delays in decision making resulted in the construction of a \$600 000.00 district hospital in Gokwe North lagging behind schedule. There was also evidence of a high level of corruption activities in the public procurement. In 2011 a tender for the supply and delivery of malaria rapid test kits was withdrawn with participating bidders being refunded their tender fees because it had been corruptly flouted. The findings from the study suggest that professional procurement practices must be adopted in Public institutions for the benefit of the country. Governments across the world pay lip service when it comes to implementing Government projects. As a result the public suffer due to poor service delivery.

3.1.2 In a study by NGWILI Josephat Kioko & Dr. Susan WERE (2014) *'Factors Affecting Efficiency of Procurement Function at the Public Institutions in Kenya (A Case of Supplier Branch In Nairobi)'* demonstrate that, public procurement plays a vital role in driving the economy in every country. The main objective of the study was to assess the factors affecting the public procurement function at the public institutions in Kenya with a case study of Supplies Branch, Nairobi. The study adopted descriptive research design. The study established that procurement staff

competencies, legal framework, institutional culture and Information Communication Technology (ICT) positively affect the efficiency of the procurement function in public institutions in Kenya. The study recommends employment of procurement officers with professional qualification and review of legislations to ensure compliance with the international procurement systems.

3.1.3 In an article, Keith F. Snider & Rene G. Rendon (2012) '*Public Procurement: Public Administration and Public Service Perspectives*' documented why is public procurement not a major topic in public administration education programs? While many scholars and practitioners acknowledge its importance, most master's degree programs in public administration do not. The authors investigate its causes, and provide two remedies to place public procurement more squarely in the educational mainstream. The first entails a description of public procurement from well established public administration perspectives, which illustrates how closely public procurement is aligned with the field's traditional functions and issues. The second analyzes public procurement in the context of the "public service values" which indicates the extent to which these values are inherently accounted for and manifested in agency procurement policies, processes, and practices. Thus, public administration might achieve a deeper and broader understanding of public service values by paying more attention to public procurement in its education programs. They conclude with recommendations for public administration schools that may want to (a) incorporate public procurement content in existing master's degree courses; (b) add a public procurement course; or (c) adopt a public procurement concentration for the master's degree.

3.1.4 The an article Eric Prier and Clifford P. McCue (2009) '*The Implications of a Muddled Definition of Public Procurement*' identified that, at all levels of government, inconsistencies exist regarding the terminology and the body of knowledge used to understand public procurement. Perspectives on what public procurement is, or should be, ranges from routine ordering to sophisticated analysis of government spending. Definitional ambiguities have hampered attempts to define the field and unify its focus. This exploratory article examines the implications of the muddled nature of public procurement that has led to debate and uncertainty about the proper role of public procurement practitioners. To address these

limitations, three dimensions of all public procurement systems are identified, and a general definition is proposed for describing the field and its institutionalized practices.

3.1.5 In an article named, *'Strategic Procurement in the Public Sector: A Mask for Financial and Administrative Policy'*, Darin Matthews (2005) demonstrates that, as government responds to demands to become more efficient and effective, procurement professionals are expected to focus primarily on the strategic aspects of procurement and less on routine transactions. In reality, public procurement masks the ability of government to transform taxes and other revenues into consumption by government institutions at federal, state and local levels, ostensibly for the public good. Public purchasers are told by their professional institutions and their private sector peers to be more proactive and less reactive in order to add greater value to their organization. However, tradition has decreed that procurement processes are managed by "unglamorous individuals" (Stewart, 1994) who are required, first and foremost, to satisfy the complex accountability processes of the government, an administrative principle, which is reinforced by recent failures of corporate financial governance. Furthermore, a search of contemporary literature shows little evidence that public procurement has penetrated the theoretical boundaries of public management or strategic management despite the profession's efforts over more than a decade to develop its profile. This paper explores two contemporary dilemmas: the boundaries of public procurement within the context of public administration and the mask of public accountability, which impedes the integration of public procurement into public administration (PA) and strategic theory.

3.1.6 Paul R. Schapper, João N. Veiga Malta and Diane L. Gilbert (2006) in their article *'An Analytical Framework for the Management and Reform of Public Procurement'* states that, public procurement frameworks in developed and developing countries alike are recognized as being characterized by an unstable tension between the public expectations of transparency and accountability, and of efficiency and effectiveness of resource management. This conformance - performance tension, manifest throughout a complex procurement environment, is further destabilized by conflicting stakeholder interests at the political, business, community and management levels and exacerbated by competing claims between

executives, lawyers, technologists and politicians for lead roles in this arena. The application of new technology in this discipline offers a qualified potential to substantially resolve these tensions. However, the application of technology is itself at risk from a lack of understanding about the nature of its impact and the wider political dimensions of professionalism in public procurement.

3.1.7 In his paper, *'Public procurement and corruption in Bangladesh confronting the challenges and opportunities'*, Shakeel Ahmed Ibne Mahmood (2010) states that, in Bangladesh there are reports of wide-ranging corruption, political control and pressure from trade unions in the procurement process. Public trust in the process is generally absent. The World Bank's evaluation of Bangladesh concluded that the implementation of procurement process is far from satisfactory, due to the following problems, poor advertisement, short bidding periods, poor specifications, nondisclosure of selection criteria, contract awards by lottery, one-sided contract documents, negotiations with all bidders and rebidding without adequate grounds, occurrence of corruption involving donor agency are not uncommon at nationally or globally and or other levels. The interesting finding is that procurement happens to be one of the lucrative areas, where corruption of above nature, therefore, the quality of public administration must be improved and accountable, which is an integral part of good governance.

3.1.8 In their study, *'The Use of Qualification Based Selection in Public Procurement : A Survey Research'*, Yuhua Qiao and Glenn Cummings (2003) states that, public agencies have started to shift away from the traditional lowest responsive and responsible bid to other approaches in purchasing certain items and services. These alternative approaches emphasize the quality of the products and the qualifications of the vendors. The purpose of his article was to explore the use of qualifications-based selection (QBS) and other non-traditional source selection methods in public procurement processes. An online survey was sent out to 1665 members of the National Institute of Governmental Purchasing, and a mail survey sent a random sample to 300 American Public Works Association members. The survey results show that while the traditional lowest responsive and responsible bidding is still the dominant selection method when all procurement is considered, QBS and other non-traditional methods have gained wide acceptance and use in

public agencies, especially for the purchase of professional services and information technology.

3.1.9 Khi V Thai (2001) in *'Public Procurement Re-Examined'* states that, academically, public procurement has been a neglected area of study even though governmental entities and public procurement practitioners have diligently worked to improve public procurement practices. The article identifies common elements of public procurement knowledge through a brief analysis of the literature and provides a summary of government efforts to improve public procurement practices. In addition, his article comprehensively re-examine public procurement by using a systems approach as a method of inquiry. Finally, implications of the proposed public procurement system regarding future research and study has been discussed.

3.1.10 Flynn and Davis (2014) in an article *'Theory in Public Procurement Research'*, examines the role of theory in public procurement research. Theoretical rigour is integral to management science, yet little is known on the extent and form of theory in public procurement. With the field starting to mature addressing this issue is timely. From conducting a systematic literature review they find that 29 percent of articles are theoretically grounded, with the incidence of theory having increased in recent years. Economic, sociological, psychological, and management theories are all in evidence, but micro-economic theories predominates. Their findings also shows that, survey reporting and case studies account for almost half of the all studies; procurement research is focused on organizational-level aspects more that regulatory-policy issues or public buyers; and studies to date have largely emanated from the North American and European regions. The contribution of this paper lies in clarifying the theoretical underpinnings of public procurement. Out of this they highlight the need for greater theoretical rigour, point to the under use and even absence of theories that could have high validity and utility, and suggest a narrowinf of research foci.

3.1.11 In a research paper named, *'Factors Affecting Implementation of Public Procurement Act in SACCO Societies in Kenya'*, by Gikonyo Peter Kiama (2014), the author states that, the directive by the SASRA, to adhere to public procurement is aimed at increasing effectiveness and efficiency and thus enhance competitiveness. The adherence to procurement procedure would ensure the public

organization gets the value for money through quality services, good and works, but this has not been effective in other sectors as is expected. The main aim of the study was to assess factors affecting implementation of the public procurement in SACCO societies in Kenya where the main variables include strategic planning, enforcement and organizational culture. Through` a descriptive research design, the study targeted procurement officers and general managers working with SACCOs societies which have FOSA. The findings revealed that 55% of the respondent believes that the impact of the regulator on SACCO is high. The findings reveals that on the issue of the SACCO culture favors good procurement procedures, 53% of the respondent strongly agree. On recommendation, the researcher observed that Procurement process should uphold integrity and ensure that there are no malpractices and there is informed decision-making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met.

3.1.12 In their study *'The effects of fraudulent procurement practices on public procurement performance'* by Kalubanga Matthew, Kakwezi Patrick, & Kayiise Denise (2013), states that, with an increasing number of organisations using suppliers based in emerging economies, potential opportunities for fraud and corruption especially within the public procurement sphere are likely to escalate. Fraud involves the intent to deceive through false representation of a matter of fact, whether by word or by conduct, or by concealment of information, which should have been disclosed, in order to cause an entity rely or act upon that misleading or false information and ultimately causing damages to the entity relying upon that false information. With procurement fraud or fraudulent procurement, the misrepresentation of truth in most cases can occur at every stage within the procurement cycle or process. Although there has been a lot of research done on the subject of fraud and corruption in general, researches linking fraudulent and corrupt practices to the public procurement performance aspect are still meager. This concept paper sought to provide a concretized elaboration on these terminologies, and how they are likely to result into adverse public procurement performance outcomes, with the view of leading to an empirical study on the same subject.

3.1.13 Pross N. Oluca and Benon C. Basheka (2014) in their study *'Determinants and Constrains to Effective Procurement Contract Management: A Practitioners Perspective'* show Contract Management in public procurement has significant

implications for service delivery. Any challenges accruing from this function pose several challenges. Yet, contract management offers an important framework for ensuring the success of any procurement undertaking. The major determinants were found to include structures and processes while the major constraints were: Lack of political will to monitor contracts (2) lack of capacity in contract management and monitoring of various stakeholders, (3) lack of integrity in the contract management process. These findings offer a useful foundation for policy and practical improvement in this important area.

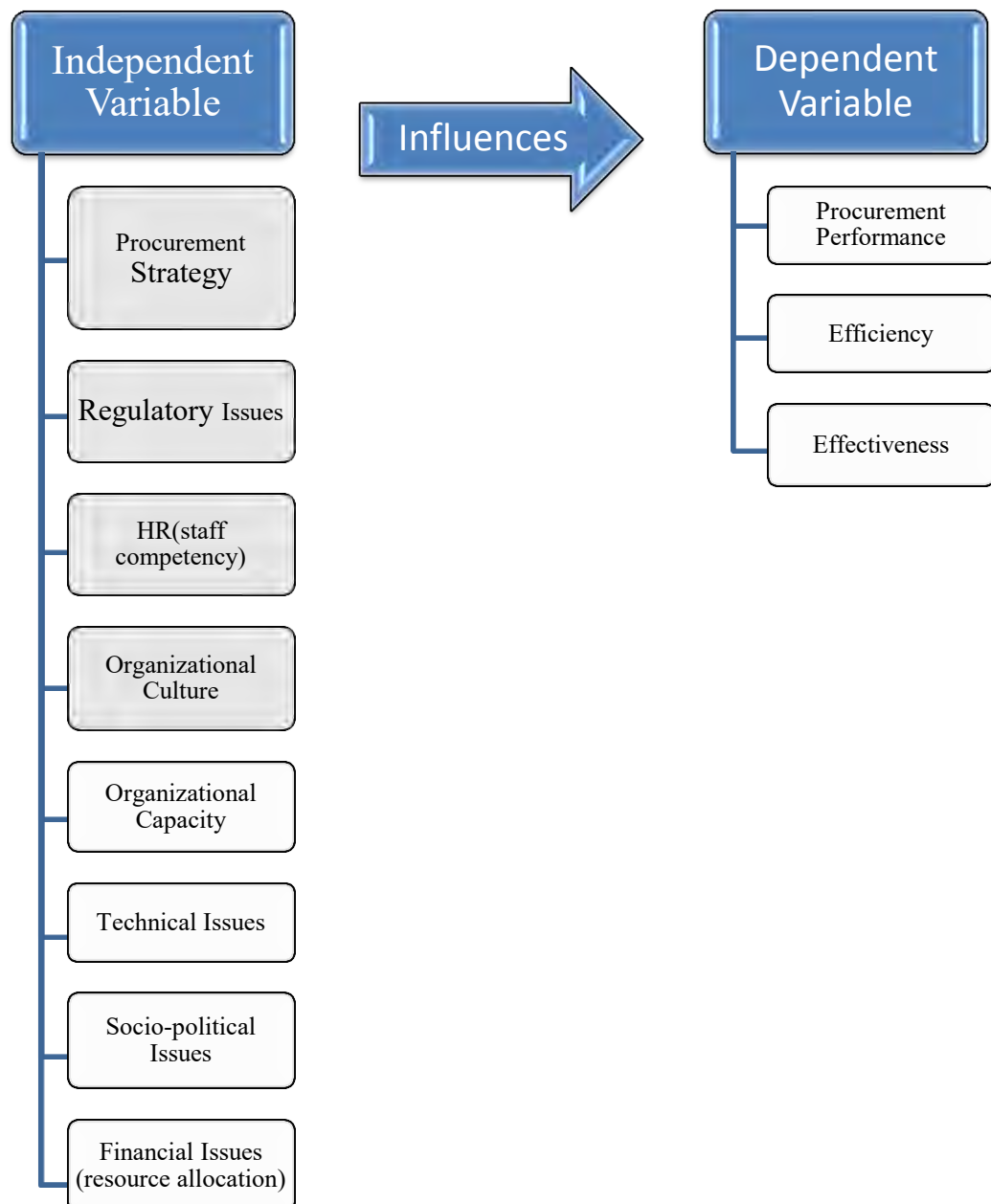
3.1.14 According to Lisa, (2010), in *Compliance culture. A conceptual framework*, mentioned that culture plays a central role in the compliance process and associated outcomes. Conducted a study on culture in Uganda's public sector and depicted culture as a hindrance to reforms. It is also contended that in a specific type of culture, characterized by specific values such as openness, trust and honesty (Arjoon, 2006) as cited in Lisa, (2010), employees are more likely to engage in compliance behaviors, which collectively will contribute to organizational compliance. Parker and Bradley (2000) in their study '*Organizational culture in the public sector. Evidence from six organisations*' further indicated that awareness of the nature of public organizational culture is vital in explaining and assessing the appropriateness and outcome of the current reform process. This applies to developing countries where waves of procurement reforms have resulted into enactment of procurement rules and regulations.

3.1.15 The above literatures that were reviewed were based on different aspects of public procurement. None of the above article tried to explore the determinants and constraints of project procurement management in public sector. There are limited article found in the context of Bangladesh public procurement. Little empirical evidence does exist on the determinants and constraints to effective procurement management based on practitioners' view point. In my research I have investigate mainly the determinants and constraints of procurement management in government projects from practitioners' view point.

3.2 CONCEPTUAL FRAMEWORK

The study attempts to establish factors that influence procurement performance at the government projects. Reviewing the above literatures a conceptual framework of the study has been developed. The aspects of procurement strategy, compliance with regulations, staff competency, organizational culture organizational capacity, technical issues, socio-political and financial issues are independent variable while procurement performance, efficiency, effectiveness are the dependent variable. The conceptual can be summarized in figure-1.

Figure-1: Conceptual framework



CHAPTER-4:
FINDINGS, ANALYSIS OF SURVEY RESULTS
AND DISCUSSIONS

4.1 FINDINGS AND ANALYSIS

4.1.1 BACKGROUND INFORMATION OF THE RESPONDENT:

Table-1: Total Years of job experience

	No. of respondent	Percentage
0-5	2	5.88
6-10	1	2.94
11-15	0	0.00
15-20	14	41.18
21+	17	50.00
Total	34	100.00

Among the 34 respondents 50% was 21+ years of work experience and 41.18% was 15-20 years of experience. This indicates that, majority the respondents were highly experienced. These levels of distribution of experienced respondents indicate that the respondents could give responses that are factual.

Table-2: Years of experience in procurement related job:

	No. of respondent	Percentage
0-1	0	0
2-4	9	26.47
5-7	10	29.41
8-10	5	14.71
11+	10	29.41
Total	34	100.00

The study results reveal that, among the 34 respondents, 29.41% had 11+ years' of experience in procurement related job. 14.71 % had 8-1- years' experiences, 29.41 % of the respondents were 5-7 years procurement related job experience. There were no respondents within 0-1 years' experience. This implies that experienced respondents could give the relevant information to the study.

Table-3: Total Training duration:

	No. of respondent	Percentage
No training	0	0
1-7 days	0	0
7-21 days	13	38.24
1-3 months	7	20.59
3-6 months	5	14.71
6-12 months	0	0.00
12+ months	9	26.47
Total	34	100.00

The table above shows that, 26.47% of the respondents had 12+ years of training in procurement. 35.30% of the respondents had 1-6 months training in procurement, and 38.24 % had 7-21 days of procurement training. This indicates that almost all the respondents had procurement training.

Table-4: Total years of experience in government project:

	No. of respondent	Percentage
0-5	7	20.59
6-10	6	17.65
11-15	1	2.94
15-20	12	35.29
20+	8	23.53
Total	34	100.00

The table shows that almost 61.76% of the respondents were 11+ years of experience in government projects. This implies that the respondents could give the relevant information to the study.

Table-5: The way respondents posted/appointed/deputed/get involved in project:

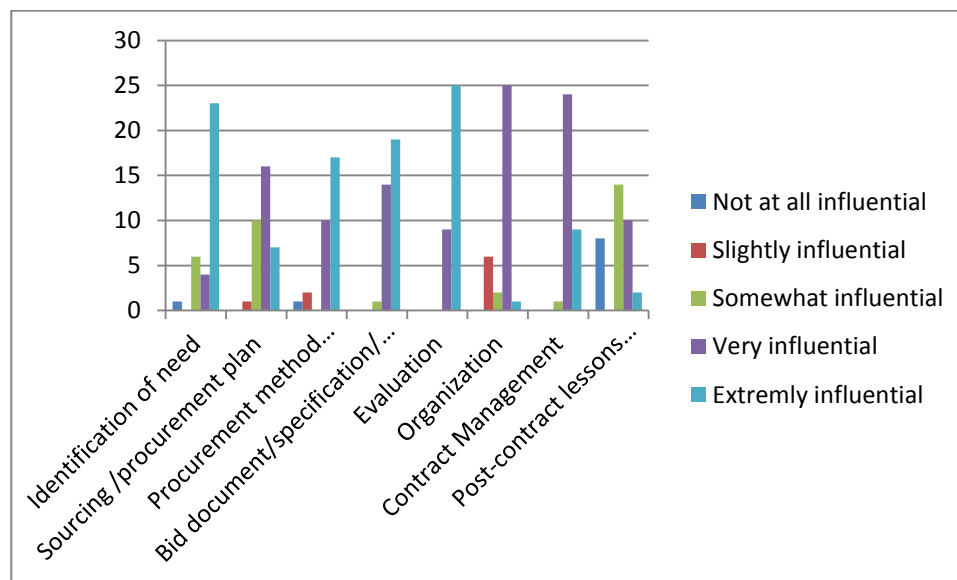
	No. of respondent	Percentage
Posted/appointed/deputed directly by authority	23	67.65
Through selection process	11	32.35
Total	34	100.00

The table shows that, 67.65% of the respondents involved in project directly by the authority, and 32.35% of the respondents recruited through competitive selection process.

4.1.2 DETERMINANTS OF EFFECTIVE PROCUREMENT MANAGEMENT

(I) STRATEGIC ISSUES

Graph-1: Contribution of the strategic issues in determining the effectiveness of procurement management:

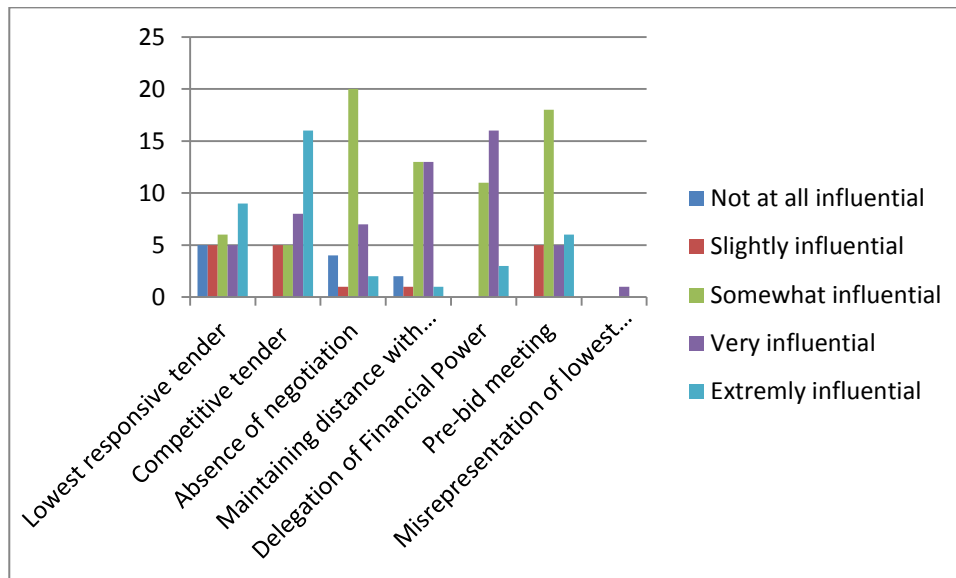


Respondents were asked to rate the contribution of strategic issues in effective procurement management. Out of 34 respondents, 23 mentioned that “identification of need” is extremely influential; 19 mentioned that “Bid document/specification/evaluation criteria”; 17 mentioned “Procurement method selection” and 25 respondents mentioned that “evaluation” of bids are extremely influential. This implies that, need identification, bid document preparation, procurement method selection are the strategic issues that highly influence effective procurement management. A large number of respondents mentioned that “organization of procurement” and “contract management” are very influential if effective procurement management in government projects.

Overall, very few responses got “not at all influence” and “slightly influence” level of rating. This indicates, strategic issues have significant influence to effective procurement management.

(II) REGULATORY ISSUES

Graph-2: Regulatory Issues (PPR) that contributes in effective procurement management:

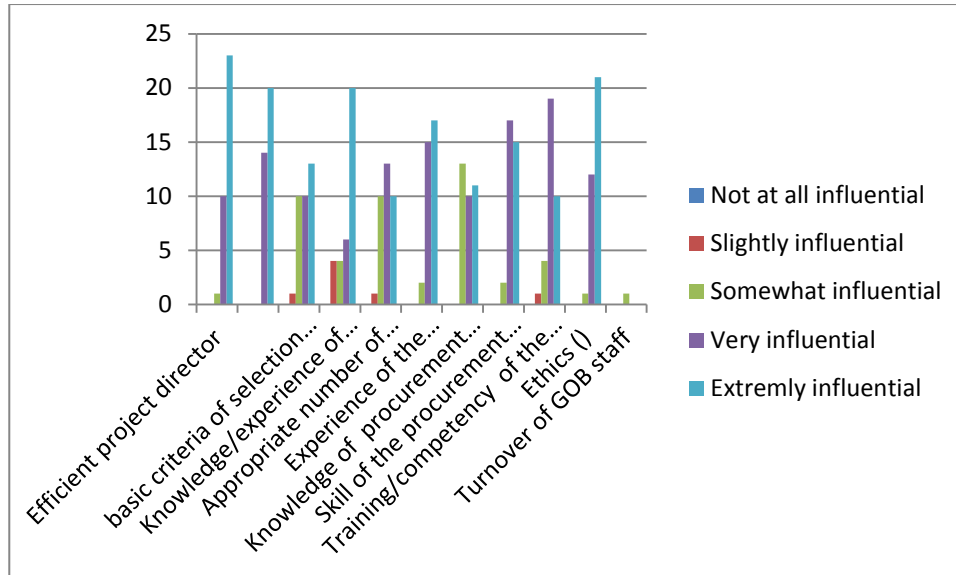


Regarding regulatory issues, a mix response were found on mandatory requirement of awarding “lowest responsive tender”. Nine respondents mentioned that it is extremely influential, 6 mentioned it is somewhat influential, and 5 mentioned that it not at all influential. The mandatory requirement of competitive tendering as a preferred method of selection was rate as extremely influential by 16 respondents. “Absence of negotiation” in goods and works tender was rate as somewhat influential by 20 respondents. It implies that absence of negotiation in public procurement does not affect procurement management. “Maintaining distance with supplier”, “delegation of financial power” was rate as very influential by 13 and 16 respondents respectively. From the above graph we found that, competitive tendering was indicated as extremely influential by the respondents.

Overall, regulatory issues got mixed response and different point of view about influence. All the determinants were not equally rated by the respondents. This means, procurement practitioners have different opinion on how regulatory issues influence project procurement management. However, a very few of the responses was on ‘Not at all influential’ rating. This indicates it has influence on effective procurement management but levels of influences are different.

(III) STAFF COMPETENCY

Graph-3: HR Issues contribute in effective procurement management:

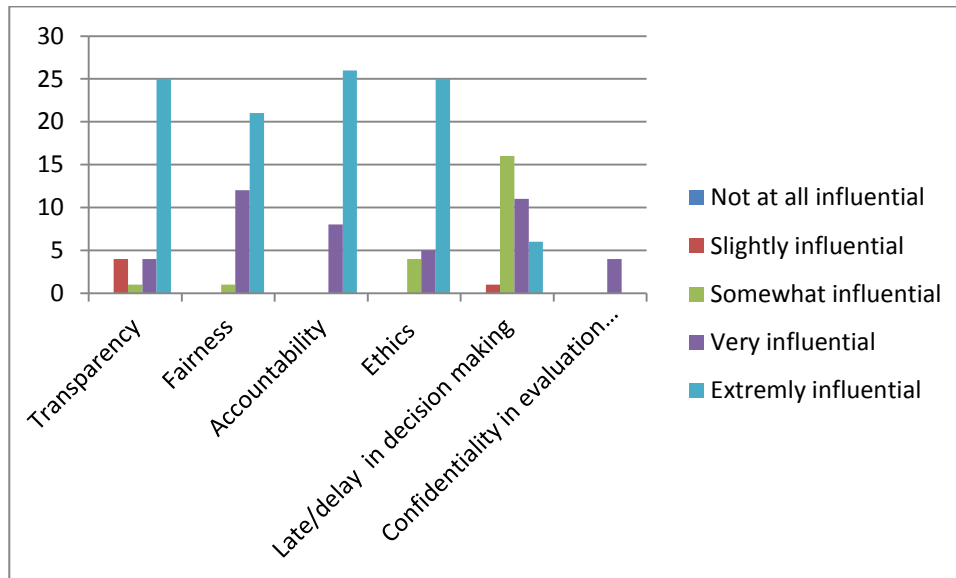


The study sought to find that whether human resources issues (skill, experience, competency of the staff) influence effective procurement management in government projects. From the findings 23 respondents indicates that “efficient project director” is extremely influential to effective procurement management. “Skilled manpower”, “Knowledge/experience of the evaluation committee member” “ethical” practices of the staffs were considered extremely influential in effective procurement management by most of the respondents.

Thus, the study reveals that procurement staff competencies significantly affect procurement performance.

(IV) ORGANIZATIONAL CULTURE (Transparency, accountability, fairness and ethical practices)

Graph-4: Practices that contributes in effective procurement management:

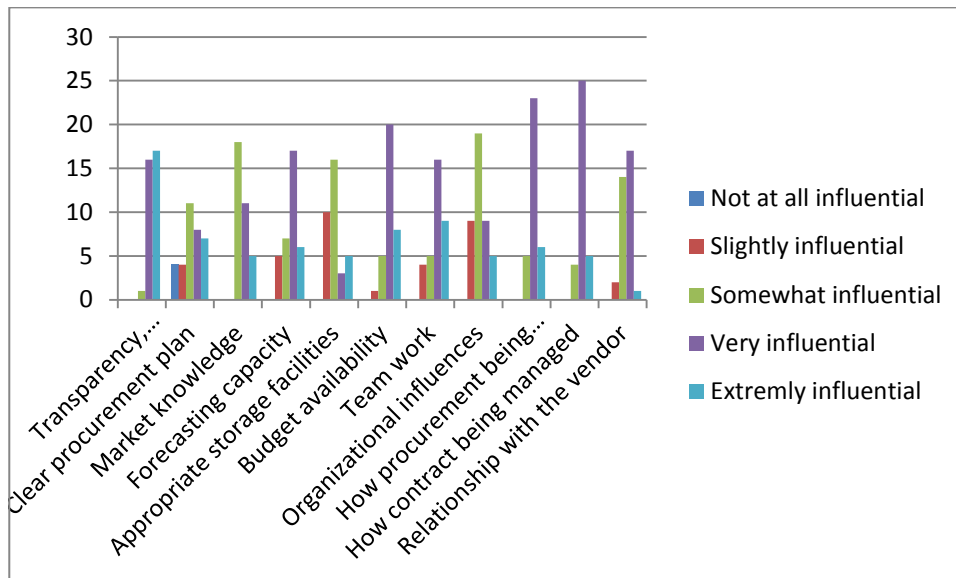


The study sought to find how organizational culture that is, practices like transparency, fairness, accountability, ethics, contribute to the effective procurement management. Results indicate that, all of these issues extremely influential to effective procurement management.

Overall, no respondents rate any determinants at not at all influence level and a few respondents some determinants at slightly influential level. This indicates that organizational culture is one of the most significant determinants of project procurement management.

(v) ORGANIZATIONAL CAPACITY

Graph-5: Organizational issues that contribute in effective procurement management:

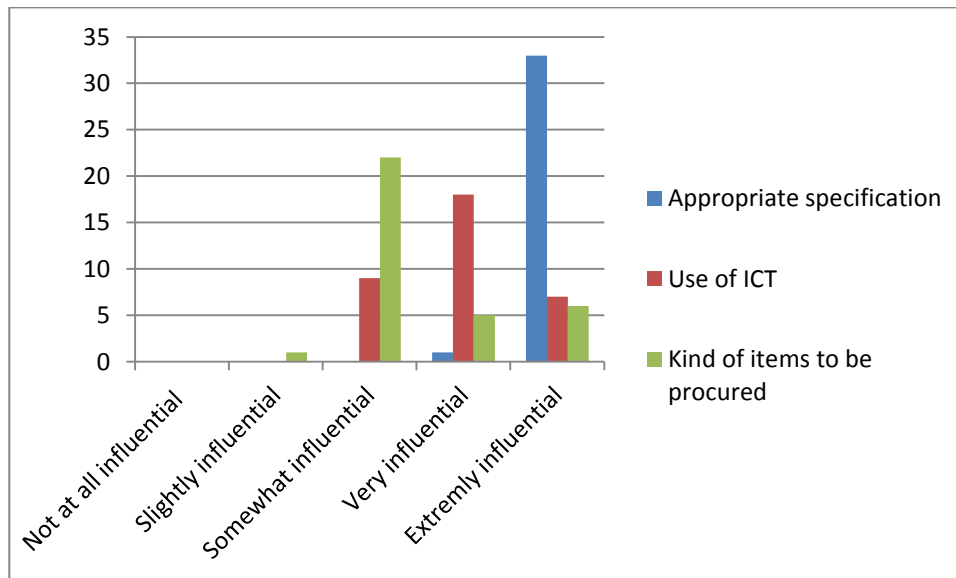


The study considered different organizational issues that contribute to the effective procurement management. According to the responses, “transparency, accountability, fairness” in the organization seems to be extremely influential to 17 respondents, and very influential to 16 respondents. Among other responses, market knowledge, forecasting capacity, budget availability, team work, how procurement being monitored and managed and relationship with vendor are very influential to effective procurement management.

Overall, very few responses were at ‘not at all influence’ and ‘slightly influence’ level. This indicates, majority of respondents agreed that, level of influence may vary, but organizational issues have significant contribution to the effective project procurement management.

(VI) TECHNICAL ISSUES

Graph-6: Technical issue that contribute in effective procurement management:



The study also considered 3 technical issues that determine effective procurement management. According to the findings, 33 out of 34 respondents mentioned that –appropriate technical specification” is extremely influential in procurement management. The kind and complexity of the items to be procured seems somewhat influential to most of the respondents.

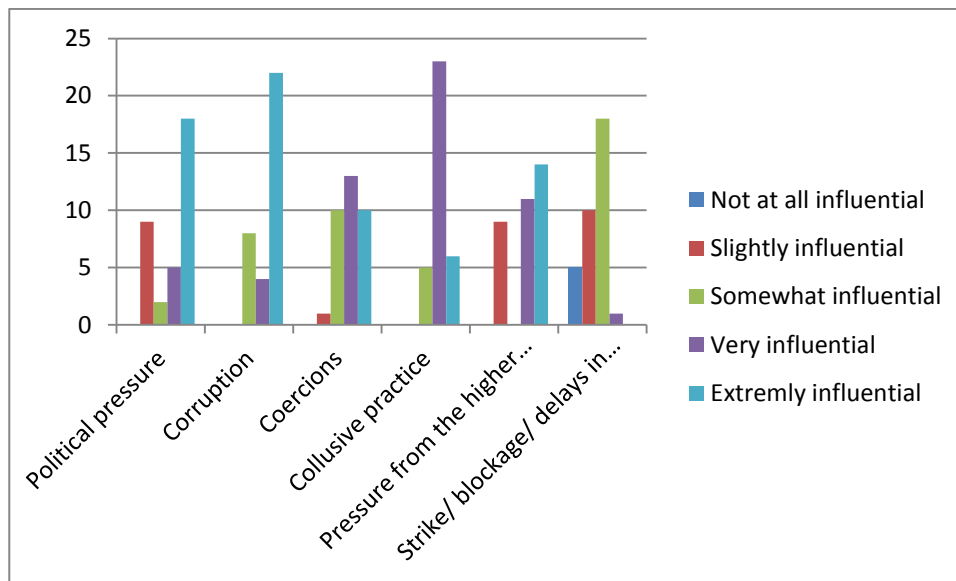
Findings indicate that, technical issues like specification, use of ICT, complexity of the items to be procured have significant impact on effective procurement management.

4.1.2 CONSTRAINTS OF EFFECTIVE PROCUREMENT MANAGEMENT

Broadly the study considered three issues that constraints effective procurement management. These are socio-political issues, ethical issues and financial issues.

(I) SOCIO-POLITICAL ISSUES

Graph-7: Socio-political issues that constraints effective procurement management:

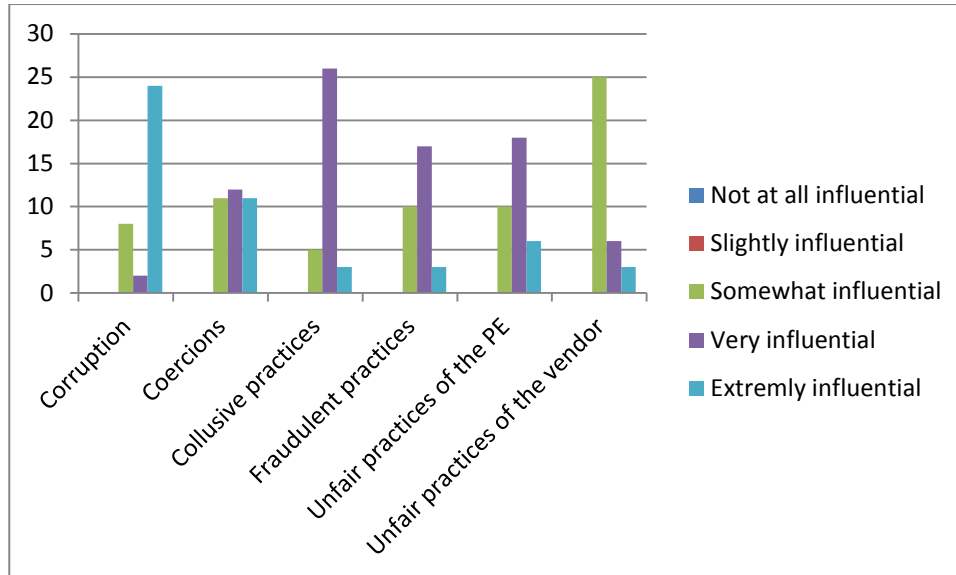


Responses indicate that, out of 34 respondents, 18 mentioned, “political pressure” as being extremely influential, 22 respondents mentioned, “corruption” being extremely influential. Regarding “coercion”, it gets almost equal responses in the three ratings “somewhat influential”, “very influential” and “extremely influential”. “Collusive” practices get highest responses in “very influential” rating. “Pressure from the higher authority to award the contract to a specific vendor” considered as extremely influential by 14 respondents. “Strike/ blockage/ delays in port” gives a different scenario from the other variables. Most of the responses think it as somewhat influential; also a large number of respondents think it as slightly influential. Some respondents think it is not influential at all.

Overall, a very few respondents rate “not at all influence” to only one determinant, that is “Strike/ blockage/ delays in port”. Findings indicate that, socio-political issues significantly constraints effective project procurement management.

(II) ETHICAL ISSUES

Graph-8: Ethical issues that constraints effective procurement management:

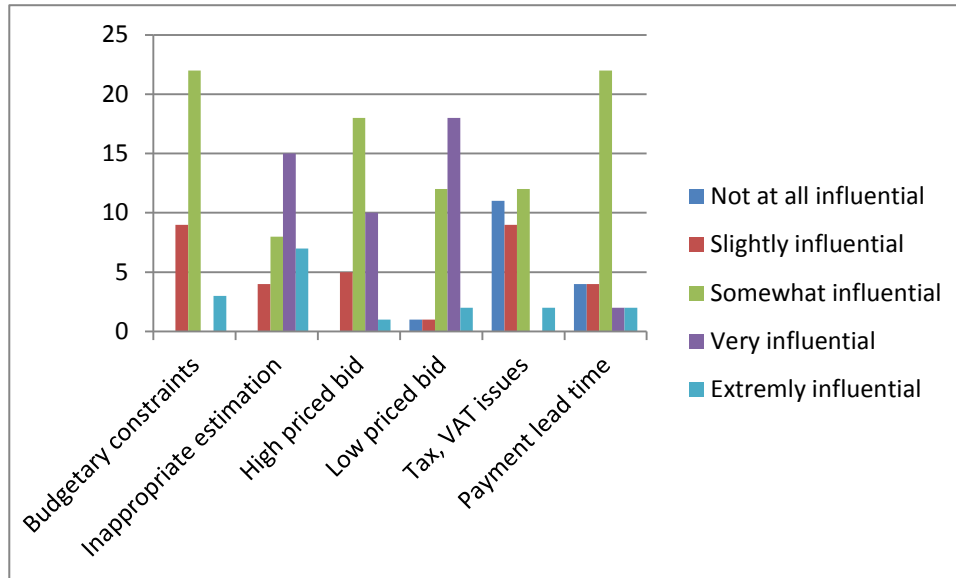


The above graph shows 6 ethical issues that influences effective procurement management. Among these 6 variables it seems that –corruption” is the most influential constraints in effective procurement management. Among 34 respondents 24 finds corruption as extremely influential. –Coercions” have almost equal response among somewhat influential, very influential and extremely influential. –Collusive” and –fraudulent practice” has highest responses in very influential. –Unfair practices of the Procuring Entity” found to be very influential according to the responses. It also has a large number of responses in somewhat influential parts. On the other hand, only –unfair practices of the vendor” are somewhat influential in effective procurement management. From the above chart corruption was found as most influential ethical factor and unfair practice of the vendor as lowest influential ethical factor in case of effective procurement management.

Overall, all the responses were on _somewhat‘, _very‘ and _extremely‘ influential level. This indicates that, according to the respondents, ethical practices of the project personnel significantly constraints effective procurement management.

(III) FINANCIAL ISSUES

Graph-9: Financial issues that constraints effective procurement management:



The study considered six financial constraints that could be influential in effective procurement management. According to the responses from the respondent budgetary constraints seems somewhat influential to the effective procurement management. Inappropriate estimation gets more responses in very influential level. Some respondents also considered it as slightly influential, somewhat influential and extremely influential. High priced bid seems somewhat influential according to responses. Low priced bid seems very influential. On the other hand Tax, VAT issues get mix responses. Most of the respondents think it as somewhat influential besides a large number of respondents think it as not influential at all. Payment lead time found to be somewhat influential to most of the respondents.

Only a few respondents rated ‘not at all influence’ level for some of the constraints. Majority of the responses were on ‘slightly influential’ to ‘extremely influential’ level. These findings represent that, financial issues constraints effective procurement management significantly.

4.2 DISCUSSIONS

4.2.1 RESPONDENTS PROFILE:

The questionnaire asked a number of background questions, including: experience, training of the respondents, current position and recruitment modality. My analysis confirms that all of the respondents 34 (100%) were from the procurement background. They are involved in various government projects in different sectors like, health sector, roads and highways, public works department, local government and engineering department, food department, World Bank and NGO. Half (50 %) of the respondents had served in the organization for more than 21 years and very few 8.82% for less than 6 years. All the respondents had 2+ years and majority of them (73.53%) had 5+ years of experience in procurement related job. The respondents also trained in public procurement in various duration. This means that the respondents were highly qualified and quite experienced in terms of job duration, specific work experience and trained in procurement. Majority of them (58.82%) also had exposure to government projects. These levels of distribution of experienced respondents indicate that the respondents could give responses that are factual.

The study concerned with examining the major determinants and constraints to effective procurement management in government projects. The study analyzed respondent's opinion on the major determinants to effective procurement management.

4.2.2 DETERMINANTS OF EFFECTIVE PROCUREMENT MANAGEMENT:

Developing an effective and strategic procurement function is increasingly becoming a priority for managers, who recognize that it has a definitive role in the ultimate success of the public sector (Gershon, 2004; Matthews, 2005; Green, 2010; McClelland, 2012). A comparative analysis of the responses (on the basis of a 5-likert scale) on how strategic issues determine procurement management, out of 8 determinants, identification of need (67.65%) , Procurement method selection(50%) and evaluation (73.53%) are the strategic issues that extremely influence effective procurement management mentioned by majority of the respondents. Overall, very few responses got 'not at all influence' and 'slightly influence' level of rating. This

indicates, strategic issues have significant influence of effective procurement management.

47.05% of the respondents think that Competitive tender is the single regulatory issue that extremely influences effective procurement management. The other 6 determinants of regulatory issues got mixed responses. This means other regulatory issues have some relevance with effective procurement management but not extremely determine. Overall regulatory issues got mixed response and different point of view about influence. All the determinants were not equally rated by the respondents. This means, procurement practitioners have different perceptions on how regulatory issues influence project procurement management. However, a very few of the responses was on ‘Not at all influential’ rating. This indicates it has influence on effective procurement management but levels of influences are different. The findings are similar to NGWILI Josephat Kioko & Dr. Susan (2014) who established that existing legal framework affects the efficiency of the public procurement function at the Supplies Branch. They concludes that the loopholes in the public procurement Act, the procurement reforms, monitoring and evaluation greatly influenced the efficiency of the public procurement function at the public institutions in Kenya.

It was sought that how Staff Competency determine procurement performance. Out of 11 determinants, the respondents mentioned about efficiency of the project director (67.65%), Skilled manpower- (procurement professional with relevant experience) (58.82%), Knowledge/experience of the evaluation committee member (58.82%), Experience of the procurement personnel (50%) and ethics of the staffs (61.76%) has extreme influence in determining effective procurement management. The study reveals that procurement staff competencies significantly affect procurement performance, in other words the staff competencies influence procurement performance to a large extent. Moreover, Rendon (2010) have rightly observed; in support of our findings, that some of the critical success factors for both project and contract management is being qualified workforce, clear processes, relationships, resources, leadership and policies all of which have an direct impact on an organization’s project management and contract management processes as well as resulting outcomes. On this same observation, Nadiope (2005) is of the view that most governments lack trained procurement personnel; a fact that may add to the procurement management problems. NGWILI Josephat Kioko & Dr. Susan

(2014) concludes that staff competencies affect greatly the efficiency of procurement function at the Supplies Branch. Hence employees need to acquire core competencies like knowledge, skills, experience and abilities to enhance public procurement function efficiency in public institutions in Kenya.

The study sought to find how organizational culture i.e. practices like transparency, fairness, and accountability, ethics, contributes to the effective procurement management. Results indicate that, all of these issues extremely influential to effective procurement management. According to Lisa, (2010), culture plays a central role in the compliance process and associated outcomes. Conducted a study on culture in Uganda's public sector and depicted culture as a hindrance to reforms. It is also contended that in a specific type of culture, characterized by specific values such as openness, trust and honesty (Arjoon, 2006) as cited in Lisa, (2010), employees are more likely to engage in compliance behaviors, which collectively will contribute to organizational compliance. Parker and Bradley (2000) further indicated that awareness of the nature of public organizational culture is vital in explaining and assessing the appropriateness and outcome of the current reform process. NGWILI Josephat Kioko & Dr. Susan (2014) in their study also found out that organizations culture affects the public procurement function at the Supplies Branch. These findings were similar to the present study.

Regarding how organizational issues determine effective procurement management, 50% of the respondents mentioned transparency, accountability, and fairness of the organization are the most important determinants of effective procurement management. The other 10 determinants got mixed responses. This indicates that these determinants have some relevance with effective procurement management, but not extreme determinant. Majority of the respondents mentioned contract monitoring (67.64 %) and contract management 75.53 are very influential. These findings confirm the existing information in the literature. Brown et, al., (2006) further argues that though defining the contract terms is crucial, contract management plan should be developed early in the process, and must explicitly state the deliverables that will be created through a joint effort between the contractor and the client and must decide what will constitute success. Overall, very few responses were at not at all influence and slightly influence level. This indicates, majority

of respondents agreed that, level of influence may vary, but organizational issues have significant contribution to the effective project procurement management.

Appropriate specification (97%) is the most important determinants in technical issues of effective procurement management. The other 2 determinants have some influence on effective procurement management.

4.2.3 CONSTRAINTS OF EFFECTIVE PROCUREMENT MANAGEMENT:

Political pressure (52.94%), and Corruption (64.70%) are the most influential socio-political constraints of effective procurement management. Corruption (70.59%) is the influential constraints related to ethical issues of effective procurement management. Overall, a very few respondents rate ‘not at all influence’ of only one determinants. Findings indicate that, socio-political issues significantly constraints effective project procurement management. Similarly, Michael Musanzikwa (2013) found in Zimbabwe that, corruption is a major challenge in public procurement and this view is also supported by Shaw (2010) also. NGWILI Josephat Kioko & Dr. Susan (2014) in their study found out that organizations culture affects the public procurement function at the Supplies Branch. Factors like political influence, fairness in awarding procurement contracts, adherence in procedures, bureaucracy and corruption affect the efficiency of the public procurement function at the public institution in Kenya. Mahmood (2010) states that, in Bangladesh there are reports of wide-ranging corruption, political control and pressure from trade unions in the procurement process. The interesting finding is that procurement happens to be one of the lucrative areas, where corruption of above nature, therefore, the quality of public administration must be improved and accountable, which is an integral part of good governance.

Respondents were asked whether financial issues were constraints to procurement management. Majority the respondents think financial issues like budgetary constraints, high and low priced bid, Tax, VAT issues, payment lead time has some influence in effective procurement management. Notwithstanding the above, Davison and Sebastian (2009a) argues that the above will depend on the nature of the contract. They further illustrate that construction contracts, are more likely to encounter cost overruns due to changes in existing designs and inflation. Unpaid

contractors lose their incentive to do good work and inevitably raise their prices in future procurements. For the contractor the challenge is to perform the work in a satisfactory manner and to obtain timely payment for the effort. In this regard, the contractor takes the risk that the government will delay necessary approvals or fail to pay on time. An experienced contractor will add some measure of protection for this risk in its contract price, even if it becomes slightly less competitive as a result.

From the above discussion, it was revealed that factors related to strategic planning, regulations, organizational culture, staff competency, organizational capacity that positively affected procurement performance. These findings are also similar to other research findings. Various factor related to socio-political, ethical, and resource allocation constraints effective procurement management. These findings confirm the existing information in the literature. These findings also offer a useful foundation for policy and practical improvement in this important area.

CHAPTER-5:
CONCLUSION AND RECOMMENDATIONS

5.1 CONCLUSION

This study has conducted with an aim to explore the determinants and constraints that influence effective procurement management in public sector projects. It has underlined key determinants and constraints and hence the desire to minimize them. The study identified multifactorial influences to effective procurement management in public sector projects. The study concludes that strategic planning, regulations, organizational culture, staff competency, organizational capacity, socio-political and ethical issues, resource allocation positively affect procurement performance at the public sector projects. Various factors related to socio-political, ethical, and resource allocation constraints effective procurement management. Findings indicates that, most projects have problem in defining the strategies of procurement (e.g. need identification, sourcing plan, method selection, specification preparation, determining evaluation criteria, organization of procurement, contract management etc.), addressing the regulatory and compliance issues, competent project staffs (e.g. skill and competency of the managers and procurement related staffs), organizational culture (transparency, accountability and fairness, ethical practices in the organization), organizational capacity (clear procurement plan, market knowledge, forecasting capacity, storage facilities, budget availability, influence of the organization, team work, monitoring of procurement, relationship with suppliers), and technical issues (e.g. right specification, complexity of the items to be procured, use of ICT). As far as constraints are concerned, socio-political, ethical and financial issues should be taken in to account at all levels of the procurement management. The study raises a number of implications that have to be addressed if procurement management is to be improved. It was argued that, these issues need to address in the risk management plan to achieve the overall project objective and make a project successful. Otherwise, there is a risk that, the procurement management function cannot be effective, project might failed to deliver the required goods, works or services at the right time, at the right price, at the right quantity, and at the right quality. If it is possible to address all the determinants and constraints as identified in this study in the planning phase, the project will be able to take preventive measures of any kind of problem that would possibly appear during the project implementation. Improving the quality of goods, works and services and reduces procurement cost thus achieving three broad goals of project: quality products and services, timely delivery of products and services, and cost

effectiveness (within budget) is only possible through proper planning and monitoring of all determinants and constraints that influence effective procurement management.

5.2 RECOMMENDATIONS

- Strategic level decisions like needs identification at the project formation phase, strategic sourcing /procurement plan, procurement method selection, bid document/ specification/ evaluation criteria setting, organization of procurement, contract management, usually taken at the top level management. So these issues should be addressed carefully at planning phase so that while implementation, if any problem arises can be handled without compromising the project goal.
- Compliance with regulations is mandatory for procuring entities at public sector. Though, sometimes mandatory requirement of competitive tendering, maintaining distance with supplier hinder project objective of getting quality products/services. One off contract does not allow the opportunity to the supplier to have a long term relationship with the purchaser. That is why, competitive tender every time discourage capable suppliers to give their best performance. It is recommended to make the regulations flexible for the quality supplier to get quality performance.
- Project should recruit personnel who are competent, skilled and experienced. The abilities of the project personnel enhance procurement function efficiency. Efficient project director, skilled man power, basic criteria of selection process, knowledge/experience of the evaluation committee member, experience of the procurement personnel, ethics are extremely influential determinants. In this case a government project should have an efficient project director and skilled manpower. Basic criteria of selection process should be capable of recruiting efficient procurement personnel. Management should ensure ethical practices to get effective outcome.
- Culture of the organization plays an important role in procurement performance. The project management should promote appropriate culture to make the

organization efficient. Good leadership ensures appropriate organizational culture.

- Appropriate specification is the most influential determinant on technical issues. Specification should be more clear and appropriate to meet the need of the purchaser. To ensure quality product early supplier involvement strategy can be used in specification preparation. In this regard, pre-bid meeting is very helpful.
- In socio political issues political pressures and corruptions are the most influential constraints to effective procurement management. It is important for the project management that they do not compromise with the political pressure. As procurement is very much prone to corruption, eradication of corruption also very important to ensure effective procurement management.
- Maintaining ethical practice in procurement is very important. Project management should show less tolerance to corruption, coercion, collusive and fraudulent practices.
- Inappropriate estimation of budget is the most influential constraint to procurement management. To avoid this correct budget estimation is very much important. Early supplier involvement strategy can be used for appropriate budget estimation. In this regard, pre-bid meeting is very helpful. The procurement personnel should also have market knowledge and forecasting capability.
- This study established that the strategic issues, regulations, human resources, organization culture, organization capacity, technical issues, socio-political, ethical and financial issues positively affect procurement performance to a large extent. The study recommends that these issues should address appropriately in the risk management plan to make a projects procurement performance effective. Equally, management of the procurement process should be administered by qualified, competent and experienced procurement professionals. This will not only help maintain good performance standards but also will help achieve high levels of efficiency and effectiveness. In addition, to avoid delays in supply and

provision of services, timelines have to be respected since most projects would have overruns. For the success of the contracts under execution, the management of projects should ensure that proper mechanisms for monitoring and evaluation are put in place with the input of procurement personnel and the user department with progress reports thereon escalated for necessary action.

5.3 LIMITATIONS AND SCOPE FOR FURTHER STUDY

The study was limited by a number of factors. First and foremost, The study focused on government projects only and did not cover all government entities. Studies in future should extend this study to all the government entities outside government projects. Secondly, the study focused categories of employees i.e. procurement practitioners only, like procurement specialists, procurement managers, and evaluation committee members but members of user departments, bidder community whose activities affect procurement in public entities. Studies carried out on project procurement management in the public sector should take into account other respondents whose decisions and activities impact on procurement performance in the public procurement process such as bidder community. The third limitation of the study was that the study focused on only determinants and constraints yet there are a number of factors like social norms, subjective norms, to mention but a few that can effective in procurement management. Future researchers can focus on looking at the other critical success factors other than the ones mentioned in the paper.

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ANNEXURE-1 :
QUESTION WISE SUMMARY OF RESULTS

Background Information:

5. Total Years of job experience

	Frequency	%
0-5	2	5.88
6-10	1	2.94
11-15		0.00
15-20	14	41.18
21+	17	50.00
Total	34	100.00

6. Years of experience in procurement related job:

	Frequency	%
0-1		0
2-4	9	26.47
5-7	10	29.41
8-10	5	14.71
11+	10	29.41
Total	34	100.00

7. Total Training duration- (procurement in general and public procurement)

	Frequency	%
No training		0
1-7 days		0
7-21 days	13	38.24
1-3 months	7	20.59
3-6 months	5	14.71
6-12 months		0.00
12+ months	9	26.47
Total	34	100.00

8. Total years of experience in government project (s)?

	Frequency	%
0-5	7	20.59
6-10	6	17.65
11-15	1	2.94
15-20	12	35.29
20+	8	23.53
Total	34	100.00

9. How did you posted / appointed/deputed/ get involved in this project?

	Frequency	%
Posted/appointed/deputed directly by authority	23	67.65
Through selection process	11	32.35
Total	34	100.00

Determinants of procurement management:

10. Please rate the contribution of the following strategic issues in determining the effectiveness of procurement management:

Determinants	Not at all influential	Slightly influential	Somewhat influential	Very influential	Extremely influential
Identification of need	1		6	4	23
Sourcing /procurement plan		1	10	16	7
Procurement method selection	1	2		10	17
Bid document/specification/ evaluation criteria			1	14	19
Evaluation				9	25
Organization		6	2	25	1
Contract Management			1	24	9
Post-contract lessons management	8		14	10	2

11. Please rate the followings in consideration with regulatory Issues (PPR) that contributes in effective procurement management:

Determinants	Not at all influential	Slightly influential	Somewhat influential	Very influential	Extremely influential
Lowest responsive tender	5	5	6	5	9
Competitive tender		5	5	8	16
Absence of negotiation	4	1	20	7	2
Maintaining distance with supplier	2	1	13	13	1
Delegation of Financial Power			11	16	3
Pre-bid meeting		5	18	5	6
Misrepresentation of lowest responsive tender				1	

12. In your opinion how HR Issues contribute in effective procurement management?

Determinants	Not at all influential	Slightly influential	Somewhat influential	Very influential	Extremely influential
Efficient project director			1	10	23
Skilled manpower- (procurement professional with relevant experience)				14	20
basic criteria of selection Procurement professional		1	10	10	13
Knowledge/experience of the evaluation committee member		4	4	6	20
Appropriate number of procurement personnel		1	10	13	10
Experience of the procurement personnel			2	15	17
Knowledge of procurement activity			13	10	11
Skill of the procurement personnel			2	17	15
Training/competency of the procurement personnel		1	4	19	10
Ethics ()			1	12	21
Turnover of GOB staff			1		

13. In your opinion how the following practices contribute in effective procurement management?

Determinants	Not at all influential	Slightly influential	Somewhat influential	Very influential	Extremely influential
Transparency		4	1	4	25
Fairness			1	12	21
Accountability				8	26
Ethics			4	5	25
Late/delay in decision making		1	16	11	6
Confidentiality in evaluation process				4	

14. In your opinion how the following organizational issues contribute in effective procurement management?

Determinants	Not at all influential	Slightly influential	Somewhat influential	Very influential	Extremely influential
Transparency, accountability, fairness			1	16	17
Clear procurement plan	4	4	11	8	7
Market knowledge			18	11	5
Forecasting capacity		5	7	17	6
Appropriate storage facilities		10	16	3	5
Budget availability		1	5	20	8
Team work		4	5	16	9
Organizational influences		9	19	9	5
How procurement being monitored			5	23	6
How contract being managed			4	25	5
Relationship with the vendor		2	14	17	1

15. In your opinion rate the following technical issue that contribute in effective procurement management?

Determinants	Not at all influential	Slightly influential	Somewhat influential	Very influential	Extremely influential
Appropriate specification				1	33
Use of ICT			9	18	7
Kind of items to be procured		1	22	5	6

16. Other comments on effective project procurement determinants:

- In some cases post- procurement review is very important. On the other hand, several value adding methodology could be a great determinant (such as Agile & Lean philosophy, not only Performance based but also results based procurement activity could be considered as an effective project procurement determinants.
- Delay in Approving Process.
- Effective Delegation of financial Power.
- Delay in Fund release.
- Approving Process.
- Delay in Fund release.
- Procurement related officials-staffs must be efficient and honest. For this training and motivation are required.
- Improvement of technical capabilities in the preparation of specifications with all required parameters and enhancement of knowledge on procurement laws and rules particularly in issues related to compliances are required.
- In Private sector, early supplier involvement makes shorten the procurement process and involve in specification preparation upto delivery , whereas in public sector this is hindrance.

c. Constraints of procurement management:

Please rate the following from 1-5. 1 being the lowest constraints and 5 being the highest constraints. You may add more constraints in the blank row if you find appropriate.

17. Please rate the following socio-political issues that constraints effective procurement management

Constraints	Not at all influential	Slightly influential	Somewhat influential	Very influential	Extremely influential
Political pressure		9	2	5	18
Corruption			8	4	22
Coercions		1	10	13	10
Collusive practice			5	23	6
Pressure from the higher authority to award the contract to a specific vendor		9		11	14
Strike/ blockage/ delays in port	5	10	18	1	

18. Please rate the following ethical issues that constraints effective procurement management

Constraints	Not at all influential	Slightly influential	Somewhat influential	Very influential	Extremely influential
Corruption			8	2	24
Coercions			11	12	11
Collusive practices			5	26	3
Fraudulent practices			10	17	3
Unfair practices of the PE			10	18	6
Unfair practices of the vendor			25	6	3

19. Please rate the following financial issues that constraints effective procurement management

Constraints	Not at all influential	Slightly influential	Somewhat influential	Very influential	Extremely influential
Budgetary constraints		9	22		3
Inappropriate estimation		4	8	15	7
High priced bid		5	18	10	1
Low priced bid	1	1	12	18	2
Tax, VAT issues	11	9	12		2
Payment lead time	4	4	22	2	2

20. Other comments on constraints of effective project procurement determinants:

- Poor academic background of procurement professional and lack of their training has great influence on effective procurement management
- Lack of incentives for the procurement professionals. Legal protection for project staff is very low.
- Lack of appropriate Knowledge of vendors about procurement process.
- Selection of item should be rationale and need based.
- Delay is the single most important indicator of maladies in a procurement process that not only hamper the achievement of project development objectives but causes all the harm to the procurement and stock. In cases of activities related to natural time limits delay causing by natural disasters may completely defeat the purpose of procurement.

ANNEXURE-2 :
QUESTIONNAIRE

RESEARCH TITLE: DETERMINANTS AND CONSTRAINTS TO EFFECTIVE PROCUREMENT MANAGEMENT IN GOVERNMENT PROJECTS: A PRACTITIONER'S PERSPECTIVE

I have been doing a research titled '**Determinants And Constraints To Effective Procurement Management In Government Projects: A Practitioner's Perspective**'. This research is a part of requirement of Masters in Procurement & Supply Management (MPSM) program under BRAC University.

The aim of the study is to identify/explore the determinants and constraints that influence effective procurement management in public sector projects. Your thoughtful opinion will be valuable to get a conclusion.

The information you provide will be used absolutely for academic purpose. Participation in this study is voluntary, and, you are free to withdraw at any stage. Furthermore, all information you provide is confidential, and, in no way will personally identifiable information be made available without your knowledge and consent. If you have any questions regarding this research, please contact by the under-mentioned phone number.

For any question regarding the research please contact:

Mobile: +880-1711332610

Email: jalalfp@gmail.com

Thank you for your participation

Jalal Uddin Ahmed

a. **Background information**

1. Name:

2. Designation:

3. Name of organization:

4. Name of project you are presently working/ involved in:

5. Total years of work experience:

6. Years of experience in procurement related job:

7. Total Training duration- (procurement in general and public procurement)

No training	1-7 days	7-21 days	1-3 months	3-6 months	6-12 months	12+ months

8. Total years of experience in government project (s)?

9. How did you posted / appointed/deputed/ get involved in this project?

Posted/appointed/deputed directly by authority	
Yes	No

(ii) Through selection process

Yes	No
-----	----

b. Determinants of procurement management:

Please rate the following from 1 to 5 using [x] symbols. 1 being the lowest determinants and 5 being the highest determinants. You may add more determinants in the blank row if you find appropriate.

10. Please rate the contribution of the following strategic issues in determining the effectiveness of procurement management:

Determinants	1	2	3	4	5
Identification of need					
Sourcing /procurement plan					
Procurement method selection					
Bid document/specification/ evaluation criteria					
Evaluation					
Organization					
Contract Management					
Post-contract lessons management					
Others (please specify)					

11. Please rate the followings in consideration with regulatory Issues (PPR) that contributes in effective procurement management:

Determinants	1	2	3	4	5
Lowest responsive tender					
Competitive tender					
Absence of negotiation					
Maintaining distance with supplier					
Delegation of Financial Power					
Pre-bid meeting					
Others (please specify)					

12. In your opinion how HR Issues contribute in effective procurement management?

Determinants	1	2	3	4	5
Efficient project director					
Skilled manpower- (procurement professional with relevant experience)					
basic criteria of selection Procurement professional					
Knowledge/experience of the evaluation committee member					
Appropriate number of procurement personnel					
Experience of the procurement personnel					
Knowledge of procurement activity					
Skill of the procurement personnel					
Training/competency of the procurement personnel					

Ethics					
Others (please specify)					

13. In your opinion how the following practices contribute in effective procurement management?

Determinants	1	2	3	4	5
Transparency					
Fairness					
Accountability					
Ethics					
Late/delay in decision making					
Others (please specify)					

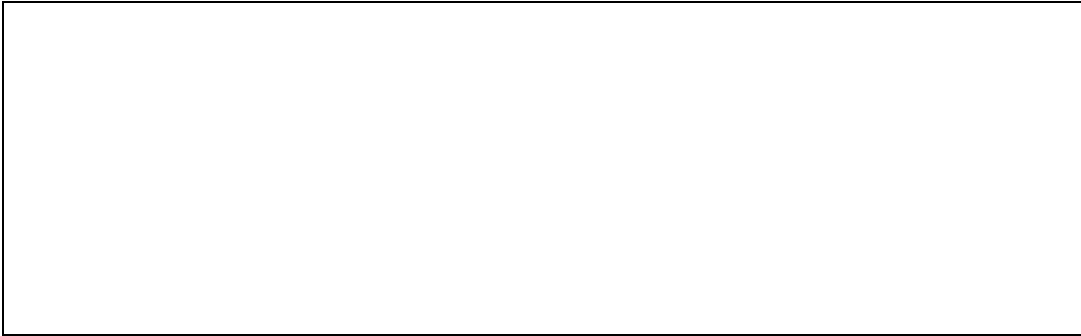
14. In your opinion how the following organizational issues contribute in effective procurement management?

Determinants	1	2	3	4	5
Transparency, accountability, fairness					
Clear procurement plan					
Market knowledge					
Forecasting capacity					
Appropriate storage facilities					
Budget availability					
Team work					
Organizational influences					
How procurement being monitored					
How contract being managed					
Relationship with the vendor					
Others (please specify)					

15. In your opinion rate the following technical issue that contribute in effective procurement management?

Determinants	1	2	3	4	5
Appropriate specification					
Use of ICT					
Kind of items to be procured					
Others (please specify)					

16. Other comments on effective project procurement determinants:

A large, empty rectangular box with a thin black border, intended for the user to provide comments on effective project procurement determinants.

c. Constraints of procurement management:

Please rate the following from 1-5. 1 being the lowest constraints and 5 being the highest constraints. You may add more constraints in the blank row if you find appropriate.

17. Please rate the following socio-political issues that constraints effective procurement management

Constraints	1	2	3	4	5
Political pressure					
Corruption					
Coercions					
Collusive practice					
Pressure from the higher authority to award the contract to a specific vendor					
Strike/ blockage/ delays in port					
Others (please specify)					

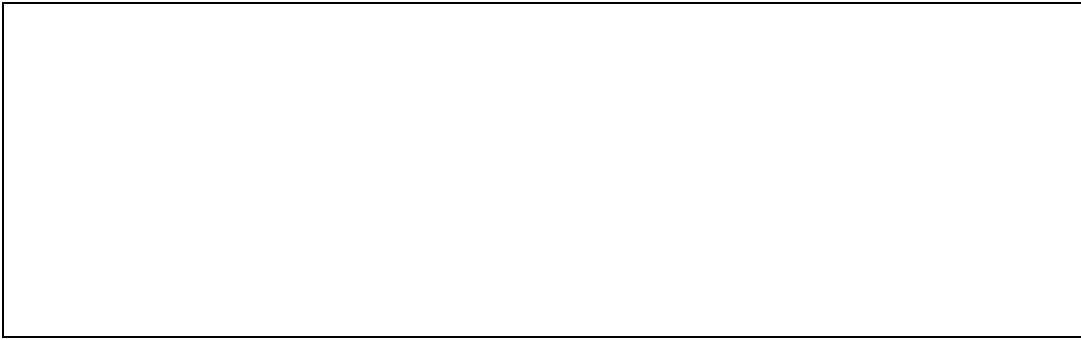
18. Please rate the following ethical issues that constraints effective procurement management

Constraints	1	2	3	4	5
Corruption					
Coercions					
Collusive practices					
Fraudulent practices					
Unfair practices of the PE					
Unfair practices of the vendor					
Others (please specify)					

19. Please rate the following financial issues that constraints effective procurement management

Constraints	1	2	3	4	5
Budgetary constraints					
Inappropriate estimation					
High priced bid					
Low priced bid					
Tax, VAT issues					
Payment lead time					
Others (please specify)					

20. Other comments on constraints of effective project procurement determinants:

A large, empty rectangular box with a thin black border, intended for providing comments on the constraints of effective project procurement determinants.