

Procurement Planning and Local Government Performance: A Case of Wakiso District Local Government

Moses Asiimwe(MBS, MMS, MCIPS)^{a*}, Chrsirtopher Mayanja (PhD)^b

^a*Idenpendent researcher , P.O.Box 9102, Kampala*

^b*Head pf Planning, Uganda Management Institute, P. O. Box 20131, Kampala*

^a*Email: akiikimoses@gmail.com, ^bEmail: chrismayanja@gmail.com*

Abstract

The purpose of this study was to examine the effect of procurement planning on performance of Local governments in Uganda, a case of Wakiso district local government. Specifically, the study was set to examine the extent to which user needs assessment affects performance of Wakiso district local government. A cross sectional approach was adopted for this study. The population of the study was 55, and the sample size was 48 respondents constituting of representatives from PDU, Contracts committee, District council members, Suppliers and vendors, NGO forum, respective Heads of departments, District chairperson, and CFO. The response rate was 93.7%, and data was analyzed using SPSS. Findings show that User needs assessment has a positive relationship in affecting local government performance. The study recommends that user needs assessment should be part of the procedure for user departments, technical teams and PDU to follow as part of the institutional procurement process. User departments and technical teams should share work plans and procurement plans in order to allow ample time for the PDU to execute and finalize procurement process timely to enhance performance targets.

Keywords: Procurement Planning; Government; Wakiso.

1. Introduction

Procurement planning is widely regarded to be a vital process in procurement management and deemed to have a huge impact on performance of an organization. As performance management is currently being focused by public and private sector organizations, they are being challenged in managing and improving processes as a mandate continuing to be faced by these organizations.

* Corresponding author.

In addition, procurement processes are critically important in public sector entities, more so in local governments, the need to focus on performance *vis a vis* the need to manage and improve procurement planning is also gaining increased attention according to the author in [6,12,13,15]. This study established how procurement planning affects performance of Local Governments of Uganda. This study was supported by the author in [8]. The Model describes four aspects of measuring organizational performance including; internal business process, customer focus, learning and growth, and financial aspects. This model supports in providing feedback concerning internal processes and external results that help to improve organizational performance. It further articulates expected performance outcomes of procurement planning including; quality, timely delivery and customer satisfaction. This model emphasizes the internal process perspective to achieve quality by focusing on innovation as a measure of performance and how organizations measure the most critical business processes internally to efficiently produce quality products to meet customer needs and expectations exceedingly as highlighted by the author in [13,15]. The financial aspect considers cost analysis of procurement spend, and measures indicators of performance like profitability, operating costs, and investment returns among others. He further contends that customer perspective aims to attain customer satisfaction and retention in the long term for survival. Learning and growth perspective constitutes management ability and willingness to measure employee satisfaction and retention to enhance organizational performance. Author in [7] Contends that this model is a challenge because it is difficult and takes time for organizations to practically implement. It can take about two years for an organization to implement this system, although others spend less period, and more long for others. However, for this system to be effectively implemented, organizations need to commit a longer period in order to realize a sustained result. The Balanced scorecard system has been successful in most organizations and enhances improved integration of financial and operational performance aspects in the civil service [5], and there is increasing awareness of the need to ensure that measurement systems provide a balanced view on performance. This means ensuring different perspectives on performance such as internal process, customer focus, financial and learning and growth. This model is therefore likely to be used in performance management in local governments.

1.1. Statement of the Problem

Procurement planning is increasingly becoming a significant practice in Procurement management in Uganda's local governments yet is intended to facilitate the overall local government performance. Conducting procurement planning supports the drive of achieving timely delivery and customer expectations, as an element of performance as advance by the author in [14]. In Uganda's local government context, procurement planning is expected to enhance value and service delivery to support the overall performance of local governments. As part of compliance, Wakiso district local government has stepped up a number of procurement planning practices to improve its performance which includes user needs assessment, specification development, delivery planning, and resource allocation among others intended to enhance performance and delivery of services to the public. *In spite of all the above commitment to Procurement planning, Wakiso district local government's performance is still a distant reality. In 2016 about 40% procurements were executed through various contracts were not planned for in advance, an indication that procurement plans were not in place which could have been done as a result of lack of planning, thus compromising value for money, hence affecting performance (Wakiso District Statistical Abstract, 2013). Furthermore, reports indicate that*

between 2012 and 2013, 82 per cent of the contracts verified did not have contract implementation plans, limited information on the value of goods, services and works procured. This affected district performance through procurement delays, poor quality as well as dissatisfaction of implemented projects. This study investigated the effect of procurement planning on performance of local governments in Uganda.

1.2. Purpose of Study

- The purpose of the study was to examine the effect of procurement planning on performance of Local governments in Uganda, A case of Wakiso district local government.

1.3. Study Question

- What is the extent to which of User needs assessment affects local government performance?

2. Literature Review

In author [15], stipulates that planning shall be initiated by every user department, this should involve all procurement needs within a given quarter and be forwarded to procurement and disposal unit (PDU) for timely procurement to be able to deliver quality and ensure on time services to the public. The PDU shall aggregate all user departments' plans into a master procurement plan for action. The procurement plan is essentially a working document of the procurement and disposal unit, and essentially contributes to effectiveness of organizational performance as per author in [3]. In many organizations, effective management of procurement planning as a factor of performance system is crucial to attain predetermined objectives, according to author in [9]. Different processes of procurement planning like; user needs assessment, quantification, resource allocation and product specification should be properly executed to achieve performance objectives. In accordance with public procurement planning (PPL), the first step is determination of the needs. In the context of their internal work flows, contracting entities inform the department which is in charge of procurement about their needs. With the aim of completing projects in the planned time period and presenting those for the use of the economy when providing services to the public, against which performance is measured and the appropriation contemplated by author in [10]. The assessment of needs is crucial and special in identifying procurement specifics like color, size, quality and other specifics. This helps to supply the required goods and services as desired by customers to enhance satisfaction as highlighted by author in [4]. Author in [4]., urges that failure in identification of needs, leads to missed targets hence wasting time efforts and cost. Failure to conduct procurement planning and identification of user needs, may create an atmosphere of unethical practices in procurement management especially corrupt tendencies and misuse of organsational resources, by author in [11]. Poor identification of needs and supplies may lead to insufficient goods or services being offered, leading to additional time effort and cost as stressed by the author in [2]. This is true when the challenges faced at needs identification stage of procurement and disposal process at Wakiso district local government which is characterized by lack of proper estimates, not defining purchase needs in such ways that can be met by only specific service providers and sometimes estimates can be prepared after solicitation. This can however be overcome by running a proper market research to identify competent suppliers and services providers.

Ultimately, planning is a requirement in the procurement process that ensures determination of relevant goods' specifications needed to facilitate and ease competition through sourcing and solicitation process that reflects transparency while conducting evaluations and negotiations at contracting to deliver high quality in interests of the public to enhance performance.

3. Methodology

The study utilized a cross-sectional survey design, which was preferred because it was meant to cover a large population and be completed in the short period, by author in [1]. Both quantitative and qualitative analysis techniques were used to establish the extent to which user needs assessment affects local government performance. A population of 55 respondents at WDLG under the following departments and key leadership individuals; Contracts committee (4), Heads of departments (12), District councilors (7), PDU staff (3), Suppliers and service providers (17), NGO Forum members (6), CAO (1), Head of PDU (1), Chairperson of Contracts committee (1), CFO(1), Head of NGO forum(1). Heads of departments from PDU, Contracts committee, CAO, District chairperson, CFO, and NGO forum were purposively selected as key informants. Questionnaire, interview and document review methods were used to collect data. The tools were pre-tested to ensure validity and reliability. Quantitative data analysis was presented using SPSS in tables in form of frequencies and percentages. Correlation coefficient analysis was done to establish the degree of relationship between variables, and hypothesis to draw conclusion respectively. Regression analysis was performed to determine the effect of user needs assessment on local government performance.

3.1. Findings

Table 1 below gives a summary of demographic characteristics which indicate that majority of respondents (38.5%) were aged between 36-45 years of age. This meant that majority were old enough to understand the questions that were asked. Results further indicate that (71.8%) of respondents were male, meaning that there were more male than female. From the findings, (56.4%) of respondents had at least a Bachelor's Degree which is a better background and in the better position to understand the concepts under study.

Table 1: Demographic study of respondents.

Factor	Category	Frequency	Percent
Age	18-25	1	2.6
	26-35	11	28.2
	36-45	15	38.5
	46 and above	12	30.8
Gender	Male	28	71.8
	Female	11	28.2
Education background	Secondary	1	2.6
	Diploma	9	23.1
	Degree	22	56.4

	Masters and others	7	17.9
Years of service	<2 years	5	12.8
	3-5 years	12	30.8
	6-9 years	10	25.6
	>10 years	12	30.8

Source; Primary data

Demographic findings further show that 30.8% of respondents had worked long enough to have a good experience at the district, therefore being able to understand procurement planning processes.

Empirical findings on procurement planning and local government performance

The study sought to seek for views on procurement planning in terms of PPDA regulations on planning, TOR/SoW, timely submission of plans, submission of work plans, recourse allocation, quality specifications. A summary of their responses is presented below

Table 2: Views of respondents on Procurement planning.

Measuring procurement planning and performance	D	NS	A
Procurement planning procedures are conducted in line with PPDA regulations to enhance service quality and satisfaction.	0(0%)	1(2.6%)	38(97.4%)
The PDU at Wakiso district local government strictly follows the TOR set during procurement planning.	0(0%)	7(17.9%)	32(82%)
Following the right procurement processes, policies and procedures usually reduces suppliers' and customers complaints.	3(10.3%)	8(20.5%)	27(69.2%)
Inadequate procurement planning has led to increased public complaints and dissatisfaction.	6(15.3%)	8(20.5%)	25(64.1%)
Procurement planning contributes to quality of services and end user satisfaction.	2(5.1%)	3(7.7%)	34(87.2%)
Some procurements are conducted outside the procurement plan.	10(25.6%)	17(43.6)	12(30.7%)
Procurement planning helps to set targets against which to measure procurement performance.	1(2.6%)	7(17.9%)	31(79.4%)
Suppliers and contractors complete delivery of supplies and works timely.	14(35.8%)	10(25.6%)	15(38.5%)
User departments submit work plans and procurement requests to PDU timely.	2(5.1%)	12(30.8%)	25(64.1%)
User departments are satisfied with the quality of supplies and services procured by PDU at WDLG	5(12.8%)	3(7.7%)	31(79.5%)

Source: Primary Data

Results in table 2 above indicate that majority of respondents at 97.4% observed that the PDU conducts planning procedures in line with PPDA regulations to enhance quality service and satisfaction. 82% of respondents were agreement that PDU at strictly follows the TOR set during procurement planning, an indication of compliance of the law. Majority of respondents representing 64.1% agree that inadequate procurement planning has led to increases public complaints and dissatisfaction, this means that if there is poor procurement planning, could lead to poor performance. More so, 87.2% were in agreement that procurement

planning contributes to quality of services and end user satisfaction, marking the improvement in performance. To the contrary however, 43.6% compelled that some procurement activities are done without planning, meaning that procurement planning is not well complied. Additionally (79.4%) agreed that procurement planning helps to set targets against which to measure and improve procurement performance. As a measure of performance, most respondents (38.5%) were in agreement that suppliers and contractors complete delivery of supplies and works timely. On the positive, majority of respondents (79.5%) indicated that agreed that users were satisfied with the quality of supplies and services procured by PDU at WDLG, whereas only 7.7% not sure, and 12.9% disagree.

Face to face interviews conducted with the head of the a technical staff at the district confirmed that ‘‘the PDU follows PPDA guidelines to ensure quality service delivery’’. They further said that procurement planning helps to set targets for local government performance. In his response, a district leader said that ‘‘ the PDU strictly follows that Scope of Work and quality specifications that helps satisfaction as a performance measure’’. Procurement planning therefore affects performance. Empirical findings on User needs assessment. The study sought out views of respondents on User needs assessment and Local government performance of WDLG as indicated below.

Table 3: Views of respondents on user needs assessment.

Measuring user needs assessment	D	NS	A
Involving me in needs assessment gives me an opportunity to plan for the right resources and work well in the department.	0.0(0%)	1(2.6%)	38(97.4%)
User departments prepare annual procurement plans for supplies and works and submit to PDU timely.	4(10.3%)	3(7.7%)	32(82.0%)
There are clearly laid procedures for identifying needs of department which enables us to conduct a thorough needs analysis.	1(2.6%)	7(17.9%)	31(79.5%)
Participation in needs assessment makes me feel valued in the department.	0.0(0%)	8(20.5%)	31(79.5%)
User departments usually rely on needs assessment to prepare appropriate work plans for the financial year.	1(2.6%)	8(20.5%)	30(76.9%)
PDU prepares aggregated procurement plans subject to the approved annual budget in order to be cost-effective.	3(7.7%)	10(25.6%)	26(66.7%)
Aggregated procurement plans are strictly followed and adhered to by the PDU.	6(15.4%)	10(25.6%)	23(58.9%)
What is usually procured is planned for in the procurement plan.	2(5.1%)	7(17.9%)	30(76.9%)
Procurement planning helps WDLG to ensure value for money when procuring the required goods, works and services.	1(2.6%)	7(17.9%)	31(79.4%)

Source: Primary Data

Table 3 shows that most of respondents were in agreement in all the nine items that were used to measure user’s needs assessment with local government performance, agreement in all the nine items that were used to measure user’s needs assessment with local government performance. In their response, 97.4% indicated that involving them in needs assessment gives them an opportunity to plan for the right resources and work well in the department,. This means that every department participates in needs assessment. 82% said that user departments prepare annual procurement plans for supplies and works and submit to PDU timely. Furthermore, 79.5%

agreed that there are clearly laid procedures for identifying needs of department which enables us to conduct a thorough needs analysis, meaning that there are rules regarding needs assessment. Additionally, 79.5% indicated that participation in needs assessment makes them feel valued in their departments. 76.9% agreed that user departments usually rely on needs assessment to prepare annual work plans. Results further indicate that 66.7% of respondents agreed that PDU prepares aggregated procurement plans subject to the approved annual budget, while 58.9% indicated that aggregated procurement plans are strictly followed and adhered to by the PDU. This means that the PDU fulfills its role in aggregating plans, and are strictly for cost-effective purposes. Further response shows 76.9% of respondents agreed that what is usually procured is planned for in the procurement plan. 79.4% indicated that Procurement planning helps WDLG to ensure value in the procurement process as a way of achieving performance.

Interviews from key respondents indicated that user needs assessment is important and helps attain quality aspect. This was further supported by the statement from one of the study participants: ‘‘Every department has to conduct needs assessment to define what they need to be purchased, and follows what has been planned and approved before procurement takes place. He further said that it’s mandatory for the PDU to comply with the procurement PPDA regulations. It is through user needs assessment that we are able to achieve value for money, and satisfaction. It is through user needs assessment that we are able to achieve value for money, and satisfaction. He further lamented that ‘‘user needs assessment helps to define what is exactly needed, and what should be purchased’’

3.2. Empirical evidence on local government performance

The study was also set to evaluate local government performance in Uganda. Respondents were asked about views on Wakiso District local government performance (WDLG) in terms of; quality, timely delivery and satisfaction of supplies.

Table 4: Views of respondents on local government performance.

Measuring local government performance	D	NS	A
Quality of supplies and works is a measure of performance at Wakiso district local government.	2(5.1%)	2(5.1%)	35(89.7%)
User departments develop quality specifications and submit to PDU timely.	4(10.3%)	7(17.9%)	28(71.8%)
End users are involved in contract monitoring and verification supplies to ascertain quality of deliveries.	0.0 (0%)	10(25.6%)	29(74.3%)
Contractors and suppliers comply with quality specifications and standards during contract implementation.	5(12.8%)	12(30.8%)	22(56.4%)
The PDU executes and completes contracts and purchase orders timely.	10(25.6%)	11(28.2%)	18(46.1%)
Timely delivery of supplies is a measure of performance of Wakiso district local government.	3(7.7%)	6(15.4%)	30(76.9%)
Value for money is realized as the rightful contractors are selected	5(12.8%)	6(15.4%)	28(71.7%)
PDU issues local purchase orders and contracts to suppliers and service providers timely.	4(10.3%)	8(20.5%)	27(69.2%)
Suppliers and contractors deliver goods, services and works timely.	7(17.9%)	13(33.3%)	29(74.3%)

Customer satisfaction is a measure of performance of Wakiso district performance	1(2.6%)	7(17.9%)	31(79.5%)
End users are satisfied with the quality of supplies and works.	5(12.8%)	10(25.6%)	24(61.5%)

Source: Primary Data

Results in Table 4 shows majority of respondents were in agreement with most of the eleven asked questions concerning local government performance, (89.7%) of respondents considered that quality of procurements is a measure of performance at Wakiso district local government, more so, (71.8%) agreed that user departments are able to develop quality specifications and submit to PDU timely. A study participant observed: *“there should be quality specifications to help measure the quality of procurements delivered”*. Majority (74.4%) were in agreement that end users are involved in contract monitoring and verification supplies and works, meaning that monitoring and inspection are important to confirm quality compliance by suppliers and contractors. Another study participant explained: *“all project that go through procurement are duly monitored and evaluated to ensure contractors and suppliers comply with standards and deliver quality”*. On whether the PDU executes and completes contracts and purchase orders timely, (46.1%) agreed to the statement. More so, (76.9%) concurred that timely delivery of supplies is a measure of performance of Wakiso district local government. (71.8%) were in agreement that value for money is realized as the rightful contractors are selected. Furthermore, (69.2%) agreed that PDU completes and issues local purchase orders and contracts to suppliers and service providers in a timely manner, additionally (74.3%) were in agreement that suppliers and contractors deliver goods, services and works timely. This was supported by a study participant who noted: *“LPO’s and Contracts have to be issued timely because there is need to have delivery of procurements completed within the allocated time in order to satisfy end users”* 79.5% concurred that customer satisfaction is a measure of performance of Wakiso district performance, and majority (61.5%) of respondents agreed that end users were satisfied with the quality of supplies and works, an indication of good performance.

3.3. Correlation results for user needs assessment and local government performance

Results whether there was relationship between user needs assessment and performance of Wakiso district local government as guided and presented in the tables below;

Table 5: Correlation matrix for User needs assessment and Wakiso district local government performance.

Study Variables		User needs assessment	Local gov’t performance
User needs assessment	Pearson Correlation	1	.455**
	Sig. (2-tailed)		.004
	N	39	39

Local performance	gov't	Pearson Correlation Sig. (2-tailed) N	.455** .004 39	1 39
-------------------	-------	---	----------------------	---------

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

Source: Primary Data

Results in table 5 reveal that there is a statistically strong correlation between user needs assessment and performance of Wakiso district local government, ($r=0.455$, $p=0.004$, $N=39$). The relationship is statistically significant at 95% confidence level (2-tailed), since $P\text{-value} < 0.01$. This means user needs assessment provides a positive effect on the performance of Wakiso district local government, similarly decreased user needs assessment leads to decreased performance of Wakiso district local government.

3.4. Testing of Hypothesis

The study further established the hypothesis that user needs assessment positively affects local government performance using regression coefficient, and is summarized in the table below.

Table 6: Regression coefficient.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Decision of the hypothesis
		B	Std. Error	Beta			
1	(Constant)	.098	1.204		.081	.936	
	User needs assessment	.923	.297	.455	3.110	.004	Accepted

a. Dependent Variable: local gov't performance

Source: Primary Data

Statistical results in table 6 of regression analysis above reveals that User needs assessment has appositve coefficient of 0.81, and the p-value of 0.936, meaning that the hypothesis that User needs assessment positively affects local government performance is accepted.

4. Discussion of Findings

The purpose of the study was to examine the effect of procurement planning on local government performance in Uganda, the emphasis was on User needs assessment. Results established a positive relationship between User needs assessment and local government performance. This implies that user needs assessment is key in determining performance of local governments. The study findings further imply that user departments should

emphasize on considering needs assessment to determine usage rate, aggregation of requirements in order enhance local government performance. The findings are in agreement with Batenburg and Versendaal (2008) who contend that assessment of needs is crucial and special in identifying procurement specifics like quality, size and other specifics. This helps to supply the required goods and services as desired by beneficiaries to enhance satisfaction. Needs assessment is when user departments identify needs, and justify reasons for purchase of those goods, services or works in order to fulfill their specific needs or demands. It can therefore be asserted that it is important to consider user needs assessment before any procurement is done to establish if there is a clear need of goods services or works. The results are further agree with those by author in [2] who argues to the fact that assessment of needs is a system that determines and addresses need requirements and gaps within present and desired wants. Its, therefore particularly important in procurement management. It provides an effective tool to identifying solutions to problems that would strain organizational resources where unpredicted challenges would affect local projects. The findings of this study are further in agreement with the author in [2] who contends that poor identification of needs and supplies may lead to insufficient goods or services being offered, leading to additional time effort and cost.

5. Conclusion

The study found out that there is a positive relationship between user needs assessment and local government performance. This provides a strong conclusion that it is important and informative for user departments to always conduct assessment of what is exactly needed before actual purchase. This helps the PDU to aggregate requirements, determination and anticipation of usage rate, and the purpose of the needed goods, services and works in order to achieve optimum performance in form of quality and customer satisfaction. This in the end provides for value for money and purchase of quality goods and services, continuous improvement in performance. Therefore, it can be concluded that user needs assessment is a key factor in influencing local government performance, should be considered as one of main steps in the process of procurement planning.

6. Recommendations

User departments in local governments should put more emphasis in user needs assessment during procurement planning process to inform appropriate purchases are made. This should be part of the procedure for user departments, technical teams and PDU to follow as part of the institutional procurement process. This probably adds value, eliminating waste and extravagant expenditure by assessing usage rate and aggregation of requirements. Needs assessment will also boost and encourage quality of goods, services and works purchased that improves institutional performance. User departments and technical teams should share work plans and procurement plans in order to allow ample time for the PDU to execute and finalize procurement process timely.

References

- [1] M. Amin, "Conception methodology and Analysis.," in *Social Science Research*, Kampala, Uganda,

Makerere University Printery, 2005.

- [2] H. Atkinson, *AtStrategy implementation: A role for the balanced scorecard*, UK: UKEmerald Group Publishing Limited, 2006, pp. 441441-1460.
- [3] B. Basheka, "Procurement planning and accountable Local governments," *Journal of Procurement, A factor analysis approach*, no. 18 Issue 3379-406, 2004.
- [4] R. & V. J. Batenburg, "Maturity Matters: Performance Determinants of the Procurement Business FunctionEuropean Conference on Information Systems.," in *(ECIS)*pp563-574, 2008.
- [5] B. A. Boyle, "The impact of customer characteristics and moral philosophies on ethical judgments of sales people," *Journal of Business Ethics*, pp. 249-267, 2000.
- [6] G. o. U. L. G. (. ActKampala, "The Local Government (Amendments) Act," Government of Uganda, Kampala, 2006.
- [7] M. Isoraite, *The balanced scorecard method: From theory to practice*, Vilnius, Lithuania, 2008.
- [8] R. S. & N. D. P. Kaplan, *The balanced scorecard: measures that drive performance.*, UK, 1992.
- [9] W. J. J. B. & K. R. S. Kramer, *The role of the information and communications technology sector in expanding economic opportunity.*, UK: CambridgeKennedy School of Government, Harvard University, 2007.
- [10] S. & A. U. Kural, "Public procurement procedures in Turkey," *Journal of Public ProcurementJournal of Public Procurement*, pp. 100-129, 2006.
- [11] C. J. Onyango, "Effects of procurement planning on Institutional performance: A case Study of Mombasa Law Court," *International Journal of Science and Research*, vol. Volume 3, pp. 11446-455, 2002.
- [12] P. P. A. D. o. P. A. Authority, "Public Procurement And Disposal of Public Procurement and Disposal Compliance Check Report of National Social Security Fund.," PPDA Authority, Kampala, 2006.
- [13] R. G. Rendon, "Procurement process maturity: Key to performance measurement," *Journal of Public Procurement*, vol. Volume 8, no. Issue 2200-214.
- [14] R. & H. K. Ruparathna, "Sustainable procurement in the Canadian construction industry: current practices, drivers and opportunities," *Journal of Cleaner Production*, no. 305-314., 2015.
- [15] G. o. Uganda, "The Public Procurement and Disposal of Public Assets.," LDC Publishers., Kampala, 2003..