

# AN ASSESSMENT OF THE UP -TO- DATE CORPORATE USAGE OF PUBLIC SECTOR TENDERING PROCUREMENT PROCEDURES :A CASE STUDY OF THE MINISTRY OF LOCAL GOVERNMENT AND PUBLIC WORKS IN ZIMBABWE

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## Abstract

This research study evaluated the use of tendering in public sector procurement using the Ministry of Local Government and Public Works (MLGPW) as the case study in Zimbabwe. The objectives were to explore the current extent of tendering procedures on influencing the acquisition of goods and services at competitive prices; assess the effect of tendering on the quality of products and services; and examine the impact of tendering on the security of supply at the MLGPW. Contemporary literature was reviewed in line with the research purposes. The study adopted a quantitative approach and an explanatory survey design. The target population was MLGPW employees in the procurement function. Questionnaires were used to collect data from a sample of 61 respondents selected using systematic sampling. Data analysis performed using SPSS revealed that tenderers scout for opportunities to reduce costs in their value chain to enable them to submit the lowest price. It came out that attempts by tenderers to outcompete each other induce self-drive to reduce costs for fear of losing contracts. The study found that tendering embeds minimum technical scores and quality standards which have to be met as part of the pre-selection process thus enhancing quality. It was revealed that tendering affords opportunities to negotiate favorable delivery terms for public entities as conditions for awarding the tender which enhanced the security of supply. The research study concluded that tendering has a strong positive influence on lowering the cost of goods and services, quality of products and security of supply for public entities. This study recommended that the MLGPW priorities tendering as the public procurement process for goods, services, utilities and works; deepen procurement negotiation skills and capabilities with its procurement staff; and develop collaborative supplier relationships. It was suggested that a further study could be conducted with a higher number of public ministries entities such as the ministry of trade and commerce, ministry of primary and secondary education and ministry of health and child welfare.

**Keywords:** Supply Chain and Logistics Management, tender, tendering, public procurement procedures, public sector and corporate governance.





## **INTRODUCTION**

#### 1.1 Background to the Study

The usefulness of tendering in ensuring a robust public procurement system continues to generate significant research interest internationally. Procurement refers to the process of obtaining by purchase, lease or other means, equipment, materials, supplies and services needed by an organization (Rasheed, 2015). Public procurement refers to the act of acquiring goods, services, utilities or works using public funds or tax revenue collected by a government institution, (Rasheed, 2015). Public procurement is a stewardship function, meant to spend the money that has been derived from contributions, fees and taxes from the citizens. Tendering is a procurement procedure in which potential suppliers are invited to make a formal offer for the supply of goods and services at prices and terms which, on acceptance, become the basis of the subsequent contract, (Mahmood, 2017). The tendering process should enable public sector organisations to select the right service provider offering the right price; credible and robust implementation plan; and right quality standards. In this regard, evaluation of the tendering process is a necessity for public sector institutions to ensure highest levels of transparency, accountability, reliability and fairness in the use of public funds.

Although most public procurement laws and regulations stipulate tendering processes to be followed, irregular procurement practices continue to be recorded globally. In Finland, Bovis (2015)'s study shows that manipulation of the tendering process to guarantee selection of pre-identified suppliers and political interference are rampant. Although competitive tendering is extensively applied in most industries to purchase goods and services at the lowest cost, studies conducted in the United States of America and the United Kingdom suggest that emphasising costs in the tendering process does not translate to the best value for public institutions (Adewole, 2019). In other advanced economies, competitive tendering is increasingly being associated with non-delivery of promised products and services as suppliers seek mechanisms to increase their price upon being awarded the contract effectively defeating the low-cost benefits to the public sector, (Jones, 2012).

In developing countries, the use of archaic public procurement legislation has been blamed for retarding the efficiency and effectiveness of the tendering process. In African countries such as Nigeria, Uganda and Kenya, tendering in the public sector has been misused, mismanaged or even misunderstood, (Adewole, 2019; Economic Commission for Africa, 2013). For instances, it is alleged that tenderers frequently and unethically set up cartels and make agreements regarding price, quality and delivery conditions among themselves. When the public sector invites bids, the cartels raise the prices beyond the competitive levels; reduce product and service quality; and create artificial market shortages to influence product availability and demand. It is alleged that the invitations to tenders in Sub-Saharan Africa do not specify criteria to be adopted in the evaluation process in order to corruptly award tenders, (Economic Commission for Africa, 2013).

In Zimbabwe, public sector organisations include all government ministries, commissions, departments and local authorities. These institutions are required to use the tendering process to acquire goods, services, works or utilities for values above specified amounts for different sectors. There are widespread claims that contracting public entities do not make credible efforts to create real competition in the tendering process necessary for cost effective deployment of tax revenues. Several contracts have been abandoned despite having 'initially met' all the tendering specifications, (Muzividzi, 2013). The Ministry of Local Government and Public Works (MLGPW) is actively involved in the tendering process and has been no exception.

In the MLGPW, several public procurement irregularities have been reported. A contract to install new elevators on government buildings awarded to Eleco by the State Procurement Board (SPB) in 2011 was abandoned after Eleco unexpectedly declared incapacity despite having won the tender. It then took 2 years to re-tender the contract and eventually award it to Otis in 2013, (The Independent, 2014). The City of Harare (CoH) has been continuously accused of inflating the cost of refurbishing its water and sanitation infrastructure with the most topical being the \$US144 million deal involving a Chinese company. It was also reported that the cost of constructing airport road in Harare was inflated by \$US70 million at \$US80 million as the real cost was later re-calculated to only US\$10 million, (Herald, 2018). The construction of flats along Willowvale road in Harare was re-tendered following widespread complaints from stakeholders for lack of transparency, (Muzividzi, 2013).

These irregular incidents raise suspicions on the quality and usefulness of tendering as a public procurement process. However, the majority of studies evaluating the use of tendering in public procurement have been conducted in developed countries which have operating environments different from those obtaining in developing countries such as Zimbabwe. This study therefore sets out to evaluate the use of tendering in public procurement at the MLGPW.

#### 1.2 Statement of the Problem

Globally, the efficiency and effectiveness of tendering in public procurement has been under the spotlight in most government institutions. Despite the existence of tendering in public procurement at the MLGPW, several procurement irregularities have persisted in the recent past. There are several challenges of non-delivery of goods and services by suppliers after winning tenders, inflated prices for services provided to local authorities, poor quality of goods and services, corruption, bid rigging and abuse of office by officials. Reports further

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indicate that several construction projects, particularly in Harare, had to be re-tendered following increased calls for transparency and accountability from stakeholders, (The Independent, 2014; Herald, 2018). If the current circumstances persist, the MLGPW would fail to achieve key procurement objectives such as lower prices, improved quality and timely delivery of goods, services, works and utilities to the public and other stakeholders. This study therefore evaluates the use of tendering in public sector procurement at the MLGPW.

#### 1.3 Research Objectives

The study seeks to achieve the following objectives:

- 1. To explore the extent of tendering on influencing the acquisition of goods and services at competitive prices at the MLGPW.
- 2. To assess the effect of tendering on the quality of products and services being procured at the MLGPW.
- 3. To examine the impact of tendering on the security of supply at the MLGPW.

#### 1.4 Research Questions

The study is guided by the following questions:

- 1. To what extent does tendering influence the acquisition of goods and services at competitive prices at the MLGPW?
- 2. What is the effect of tendering on the quality of products and services being procured at the MLGPW?
- 3. What is the impact of tendering on the security of supply at the MLGPW?

#### 1.5. The Economy

In public procurement, public funds are used. The amounts involved have huge financial and economic significance. In most economies, public procurement accounts for 20% of the Gross Domestic Product (GDP), (Adewole, 2019) and this directly impacts the quality of life for the general people. The general public in Zimbabwe would significantly benefit if tendering in public procurement translates into lower and competitive prices for the various products and services provided by the MLGPW. Local authorities in Zimbabwe provide critical or essential services such as water and sanitation, refuse collection and waste management, housing delivery, education, sporting and recreation facilities and other social amenities. An improvement in the quality of these services would go a long way in enhancing the quality of life of people in Zimbabwe.

#### 1.6. Delimitations of the Study

This study is theoretically delimited to tendering and public procurement and concentrates on the matters covered by the research objectives. With regards to respondents, the study targets MLGPW employees in the procurement department. These employees dealt with tendering and procurement issues in their day-to-day duties and responsibilities. The study will be geographically restricted to Harare, Zimbabwe where the MLGPW was headquartered and tenders were centrally processed from. The decision makers on tendering and public procurement were also based in Harare. The study covered the period between 2011 and 2018 during which the need to contain costs and improve service delivery was imperative in the public sector in Zimbabwe.

#### 1.8 Limitations of the Study

It is likely that respondents may be reluctant to provide data on tendering and public procurement for fears of releasing 'sensitive and confidential data. As such, possible unwillingness to participate in the study may result in a low response rate which may have material impact on the sample size and generalisability of the findings. In light of the Covid-19 restrictions, from April 2020 to date, it is anticipated that the distribution of questionnaires and conducting interviews may be difficult. It may be difficult to contact all the targeted respondents. In order to enhance participation, the researcher shall distribute questionnaires electronically and conduct interviews over the telephone.

#### 1.9 Definition of Key Terms

Tender: An offer, bid or proposal to supply goods, services, works and utilities at a stated price, made by a potential supplier in response to an invitation by a procuring entity.

Tendering: A procurement procedure whereby potential suppliers are invited to make formal offers or bids for the supply of goods and services.

Public Procurement: Public procurement is the act of acquiring goods, services, utilities or works using public funds or tax revenue collected by a government institution.





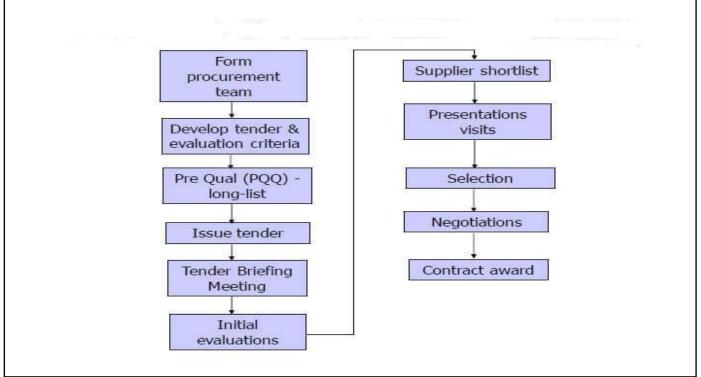
## LITERATURE REVIEW

#### 2.0 Introduction

#### 2.1 Tendering Process

A tender is an offer made by a potential supplier to the procuring entity to execute a supply contract at a stated cost, (Rotich, Muma and Waruguru, 2015). This is in line with Mantzaris (2014)'s definition that a tender refers to a bid submitted by a prospective supplier following publication of a contract notice by a public sector entity for goods, services, works and utilities. In this study, a tender is considered as an offer, bid or proposal to supply goods, services, works and utilities at a stated price, made by a potential supplier in response to an invitation by a procuring entity. Tendering refers to the process of inviting suppliers to submit an offer, bid or proposal to supply goods and services, (Muzividzi, 2013). In this study, tendering is considered as a procurement procedure whereby potential suppliers are invited to make formal offers or bids for the supply of goods and services.

In the context of the public sector, the tendering process starts when the government institution publishes a contract notice inviting competing offers from potential suppliers by a set date. The call for bids follows different procedures depending on the value of the contract. In an open procedure tender, any company can submit a tender while restricted procedures include pre-selection criteria before submission of tenders. Restricted procedures incorporate, at a high level, ability to attain procurement objectives such as lower costs, improved quality and timely delivery of supplies, (Rasheed, 2015).



#### Source: Rasheed (2015)

#### Figure 2.1: Tendering Process

At the tendering stage, potential suppliers submit tenders for the contract. The use of the pre-qualifying questionnaire (PQQ) screens the potential suppliers so as to eliminate the suppliers who do not qualify. Suppliers who pass the screening phase are invited to tender with specific questions meant to test capacity and capability to deliver the goods and services required, (Chigudu, 2014). At times, the suppliers are required to undergo formal interviews or conduct presentations to evaluate ability to deliver on the criteria set by the public entities. The supplier selection process is based on key procurement performance variables such as price, quality, and capacity to delivery, impact to the environment and social benefits, (Rasheed, 2015).

Due to the complexities of the tendering process, organisations put cut offs for the minimum values for goods, services, works or utilities which can be economically be processed through the tendering process. Quotations with values below certain thresholds, the procuring entities are required to seek three quotations and choose the best supplier and does not have to go to tender, (Rotich et al., 2015). In the United Kingdom (UK), the procurement of good and services with a value below £111,000, the rules and processes are simpler as the contract notice only needs to be advertised in the UK. The contract notices with values above £111,000 (or £4.3 million for works contracts) have to be advertised throughout the European Union with stricter forms and rules as laid down in the Public Procurement Regulations. In Nigeria, all contract with minimum values of N500, 000 must go through public tenders, (Adewole, 2019).





#### 2.1.1 Types of Tendering

According to Rasheed (2015), there are a number of options through which the tendering process can be conducted namely; open procedure, restricted procedure, competitive dialogue procedure and negotiated procedure. The simplest one is the open procedure whereby the awarding public entity advertises the contract notice inviting all interested suppliers to submit their bids by a set date. The tender bids are then evaluated and contracts are awarded to the winning suppliers. It should be noted that in an open procedure, any potential supplier can submit a tender.

The restricted procedure involves a two-stage procedure. In the first stage, prospective and competing suppliers complete a Pre-Qualification Questionnaire (PQQ) and a shortlist of suppliers is produced based on the responses to the PQQ. The suppliers on the shortlist receive an Invitation to Tender. Once the tenders are returned, they are evaluated and the contract is awarded to the winning supplier (s), (Domberger and Rimmer, 2004).

The competitive dialogue procedure is employed in tendering for complex procurements in which case the public sector organisation knows what it intends to achieve but does not know how best to go about it. Following publication of the contract notice and selection process, the awarding public entity has the opportunity to negotiate with the service providers to develop suitable solutions prior to the awarding of the tender, (Dzuke and Naude, 2015). This means that the tendering process, if conducted through the competitive dialogue procedures, helps the public sector institutions to achieve procurement objectives such as reduced cost, quality and ensure successful delivery of products and services. In a negotiated procedure, which is seldom applied in tendering, the procuring public entity enters into contract negotiations with one or more suppliers.

#### 2.2 History of Tendering in Public Procurement

In most European countries including the United Kingdom (UK), competitive tendering has been practiced as early as the 1980s as a strategy to make government institutions open up bids to many potential suppliers, (Abdullahi, Ibrahim, Ibrahim and Bala, 2019). There have been increased calls for public sector institutions to guarantee the highest levels of transparency, accountability, reliability and fairness in the use of public funds. Ayoti (2012) says that tendering is a procurement process which costs organizations huge sums of money and therefore has to be effectively and efficiently performed to minimize costs. It has also been noted that the managing tenders must emerge as a critical core competency for companies to increase revenue as well as a way of advancing economic growth and development at a national level. The tendering process has been meant to enable public sector organisations to select suppliers offering the right price and right quality standards with plausible implementation plans which guarantee security of supply, (Musanzikwa, 2013).

Traditionally, the use tendering in procurement has been aiming to attain lower costs by choosing a mix of suppliers who can provide the best prices and terms. With time procurement practitioners began to recognize that awarding tenders solely based on the least price bid does not guarantee maximum value, (Khan and Khan, 2015). The tendering evaluation matrix evolved to include procurement performance standards including contracting suppliers interested in investing in long-term beneficial relationships. Another development is establishment of target performance levels for quality now form a significant portion of the tendering evaluation framework, (Chigudu, 2014). Bovis (2015) argues the new challenge is how the public sector can achieve a value-based tendering system given the inclination among public officials to evaluate competitive bids based solely on the lowest-bid award system.

#### 2.3 Theoretical Framework

This study is guided by the Tendering Theory and the Game Theory which are discussed below. The relevance of the theories to the current study concentrating on the evaluation of the use of tendering in public procurement is also provided.

#### 2.3.1 Tendering Theory

Theory on tendering can be traced back to 1956 when Lawrence Friedman published a paper titled, 'A Competitive-Bidding Strategy' in the journal Operations Research. According to Urquhart and Whyte (2018), Friedman theorized conditions in which a bidder or tenderer can maximise the expected profit from a single tender where each competitor simultaneously submits one closed bid (tender). In submitting the tender, a bidder has to choose the level of mark up on the cost which increases the expected value of the profit calculated as the product of mark-up and the probability of winning the tender.

Friedman pointed out that, to be the winner of the tender, a bidder should examine its historical encounters with competitors in order to establish their bidding patterns. This can be done through calculating the ratios between the competitors' tenders and the awarding entity's own cost estimate. Subject to the existence of many previous encounters, Friedman argues that it is possible to approximate the chance of winning a tender with different mark-ups against each competitor, (Urquhart and Whyte, 2018).

The tendering theory is relevant to the current study which seeks to evaluate the use of tendering in public sector procurement. The tendering theory explicitly enlightens understanding of the matters covered by the first objective which looks at the extent to which tendering influences the acquisition of goods and services at competitive prices in the public sector. The explanations on the price discovery





mechanism provided in the tendering theory by Friedman, if adopted by bidding companies in the public sector, can result in the attainment of the lowest possible price for goods, services, works and utilities in the public sector.

#### 2.3.2 Game Theory

According to Liang et al. (2019), the game theory looks at scenarios in which interacting choices of rational economic agents produce outcomes with respect to their preferences but the outcome (s) might have been intended by none of the participating agents. In the field of economics, social sciences and procurement, the history of the game theory is traced to John von Neuman and Oskar Morgenstern (1944). The game theory is applied in any situation with two or more players that involves known payouts or quantifiable consequences to estimate the most likely outcomes. A game is considered cooperative for circumstances in which the participating agents are able to form binding commitments externally enforced. On the other hand, a non-cooperative game has players who cannot form strategic alliances or agreements but need to be self-enforcing. Each participating agent makes choices taking into consideration the likely behaviour of the other players and would want to maximise own utility. Ultimately, all players make offers which, at the end, benefit none of the players.

It should be noted that the fact that the game theory models' strategic interactions between two or more players in a situation containing set rules and outcomes, makes the game theory relevant to the current study which evaluates the use of tendering involving many competing suppliers in public procurement. The researcher notes that the tendering process, mimics the game theory, in that it involves competing suppliers who are more likely to make offers pertaining to pricing, quality and delivery assurances for products, services, works and utilities to public sector organisations in a way that ultimately does not benefit the suppliers but the tender awarding public entity. Put in other words, the rational behaviour of the tenderers may improve the attainment of procurement objective such as lower prices, improved quality and security of supply as these are the possible areas of competition among the tenders who are not aware of the offers made by others in the tendering process.

#### 2.4 Tendering and Acquisition of Goods and Services at Competitive Prices

According to Asif and Nisar (2018), the tendering process involves making an offer, in competition with others, to supply goods and services indicating the price in response to an invitation to submit such an offer. Liang, Hu, Wang and Hou (2019) say that tenderers are incentivized to submit their most competitive tenders and therefore competitive tendering increases transparency and reduces costs of acquiring goods and services. Competitive tendering is often applied in the procurement process in sectors with high value projects such as the construction industry. The suppliers involved in the tendering for a contract would know that they are in competition but none of the tenderers has the privilege of the quotations provided by others. As a result, they are forced to scout for opportunities to reduce costs in their own value chain so as to submit the lowest price as is practically possible, (Adewole, 2019).

In agreement, Liang et al. (2019) state that the process of finding out and deciding the right supplier normally include cost, quality and capacity and suppliers would always wish to achieve such when they are invited to tender. It should be noted that the tendering process promotes competition which instills discipline and a self-drive among the potential suppliers to reduce the costs and improve quality of the goods and services. Asif and Nisar (2018) note that the public sector has the biggest expenditure in any industry and all competing suppliers would almost always attempt to provide cost effective products and service so that they meet the tender evaluation process.

Adewole (2019) shares a different perspective and argues that empirical evidence in United States of America and the United Kingdom shows that the adoption of competitive tendering does not guarantee the realisation of the best value for public entities. He argues that an emphasis on costs is, in most cases overshadowed by political interference and deliberate selection of pre-identified suppliers. The Economic Commission for Africa (2013) argues that in most African countries including Nigeria, Uganda and Kenya, the tendering system has invariably been misused, mismanaged or even misunderstood in the public sector. This has also been worsened by the existence of archaic public procurement legislations prone to extensive manipulation retarding the efficiency and effectiveness of the tendering process. In this context, one may infer that most government institutions have failed to conduct public sector procurement in a fair and in open competition while minimizing exposure to fraud and collusion as suggested by Adewole (2019).

#### 2.5 Effect of Tendering on the Quality of Products and Services

The term quality refer to the degree to which a product, service, utility or works conforms to specifications and expectations that a customer wants, (Abdullahi et al., 2019). Quality issues are among the key consideration in awarding tenders among competing tenderers. In the tender selection process, the technical quality attributes for each supplier are noted. In the process, points are awarded to the technical quality of each supplier using predetermined critical and maximum scores and suppliers who do not reach the predefined levels are excluded from the tendering process. Bids with which do not meet the minimum technical scores are rejected as they may compromise quality, (Asif and Nisar, 2018).

In the tendering process, the development of an evaluation framework is important to objectify and quantitatively score key procurement considerations for tenders submitted for strategic commissioning of public contracts, (Dzuke and Naude, 2015). Jones (2012) argues that every tender evaluation framework should be preceded by gateway criteria or deal breakers with pass or fail score and such criteria should





include procurement objective such as cost, quality and ability to consistently supply products and services required. The process of constructing the tendering criteria should include all the users or people who depend on the products or services which are expected to be acquired. This enhances attainment of procurement objectives particularly quality issues which can be stated at a high level. The procurement function has to interact with internal stakeholders such as marketing, finance, logistics and distribution to ensure that they are all aligned to the quality expectations, (Noor, 2011).

However, a major challenge is that cartels often corruptly raise the prices above competitive levels for substandard products and services and this can be avoided if public entities undergo the tendering process, (Noor, 2011). The tendering process at some point includes negotiations between seeking agreement between the purchaser and the contractor or supplier in the form of a dialogue in order to reach acceptable terms and conditions prior to concluding a contract, (Mahmood, 2017). This development provides opportunities for the procuring entity to ensure that quality attributes are infused and become part of the key deliverables for the suppliers.

#### 2.6 Impact of Tendering on the Security of Supply

It should be noted that the aim of the tendering system in procurement is increasingly shifting from predominant focus on lower prices to other procurement objectives such as sustainable supplier relationships, technology, innovation and shorter lead times, (Domberger and Rimmer, 2004). These considerations imply that the tendering process aims to ensure security of supply of products and services in terms of availability, reliability and responsiveness to problems following installation of works as well as other support services which the public entity might require. However, Jones (2012) argues that there have been numerous cases of non-delivery of promised products and services to public sector entities as suppliers seek mechanisms to renege on the contract specifications upon being awarded the contract. The tendering process can be organized in such a way that the security of supply is guaranteed to the public sector organisations through negotiating for favourable delivery terms and conditions as pre-requisite for awarding a tender.

In the absence of open competition, cartels may emerge and they may work together to alter the price, quantity and quality of the products, services, works or utilities. According to Bergman and Lundberg (2013), cartels at times limit the production of goods and services and reduce the range of goods and services available. The use of tendering opens up the prospects of supplying the goods and services to a fairly large number of respondents thus ensuring that the products or services can be availed when needed. The Economic Commission for Africa (2013) also alleges that tenderers frequently and unethically form cartels and make agreements regarding price, quality and delivery conditions among themselves, such that when the public sector invites bids, the cartels raise the prices beyond the competitive levels; reduce product and service quality; and create artificial market shortages to influence product availability and demand. This threatens the security of supply for goods and services even if the tendering system is enforced.

#### 2.7 Empirical Literature

In this section, global, regional and local studies conducted by other authors on tendering and public sector procurement are covered. For each study, the purpose/aim/objectives, research methodology, findings, conclusions and recommendations are provided.

#### 2.7.1 Effects of lowest bid awarding tendering system in public sector construction projects in Pakistan

Khan and Khan (2015) examined the effects of lowest bidding bid awarding tendering system in public sector construction projects in Pakistan. The study was conducted on the backdrop of persistent challenges including inferior quality of constructed facilities, high incidence of claims and litigation, and frequent cost and schedule overruns in Pakistan's public sector. The study specifically concentrated on the performance of public owned construction projects awarded on a lowest bidder bid awarding system. Extensive literature review was conducted to identify different tender awarding systems or practices.

The study used a mixed research approach. A survey was conducted and 200 questionnaires distributed online to contractors, clients and consultants in the construction industry in Pakistan. Twelve interviews were also carried out with clients, consultants and contractors. Data analysis was conducted using a combination of Microsoft Excel, PH stat, SPSS-20 and Sigma XL. The study found out that as high as 70% of the respondents considered the multi-parameter bidding method as the best tender awarding system than the lowest bid method.

#### 2.7.2 Factors Influencing Effectiveness in Public Sector Tendering in Kenya

Ayoti (2012) examined factors influencing effectiveness in tendering process in the public sector in Nyeri, Kenya. The objectives were to establish the extent to which ethical practices, staff training, record management and ICT use influence effectiveness of tendering in the public sector. Three public institutions were targeted namely; Urban Roads Authority, Highway Roads Authority and Rural Roads Authority. The study was conducted following realisation that, if not managed well, the tendering process is costly to Government. A descriptive survey research design was adopted and both qualitative and quantitative techniques were applied. A questionnaire was self-administered to respondents. Descriptive and inferential statistics were used to analyse the data. Tables were used to present the data. It was revealed that tendering in the public sector was weighed by favoritism, tribalism and nepotism. The absence of professional and trained staff led to failure employ public procurement best practices creating high costs in the tendering process. Ayoti (2012) therefore





recommended that all employees involved in tendering process should advance their procurement related education. It was suggested that the Kenyan Government should also improve salaries and wages to reduce corruption by employees involved in the tendering process. It was also recommended that procurement policies and regulations be adhered to in the tendering process and that online payments related to the tendering process be done online with no physical interaction with the tenderers.

#### 2.7.3 Relationship between e-tendering and procurement performance: Kenya

Rotich et al. (2015) investigated the relationship between e-tendering and procurement performance of local governments in Kericho, Kenya. A correlational research design was adopted and the target population was employees of Kericho County working in the procurement, finance and accounts and IT departments. A sample size of 120 was used. The respondents were selected using stratified random sampling. Self-administered questionnaires were used to collect data. Data analysis was performed using frequencies and percentages. Correlation analysis was used to test the relationship between e-tendering and procurement performance. The study found out that e-tendering is positively related to procurement performance in the local governments in Kericho Country. It was recommended that Kenya develops policies on adoption of e-tendering and provide critical resources and leadership in adoption of e-tendering. Rotich et al. (2015) suggested that a further study focusing on factors inhibiting adoption of e-tendering in public institutions be conducted.

#### 2.7.4 Challenges in the public procurement process in Zimbabwe

Dzuke and Naude (2015) assessed procurement challenges arising from the legal framework for public procurement in Zimbabwe. The study was triggered inefficient procurement practices and procedures at the then State Procurement Board which saw government projects lagging behind negatively impacting on public service delivery in Zimbabwe. A qualitative approach was used and data was collected through in-depth interviews with five participants at five public entities, using a semi-structured interview guide. Thematic content analysis was later used to highlight emerging key themes from the interview responses.

Dzuke and Naude (2015) found out that lack of lack of strategic recognition of the procurement function and procurement policy; apparent absence of professional, managerial and leadership skills; insufficient financial support from the Ministry of Finance and Economic Development, and flouting of tender procedures were evident in the procurement process. The researchers concluded that there were gaps on studies focusing on public procurement process and its efficiency in Zimbabwe, yet government expenditure through the tendering system was high and accounted for a significant proportion of the country's Gross Domestic Product (GDP).

#### 2.8 Research Gap

The above literature indicates that studies on tendering and public sector procurement have been carried out in other countries, (Ayoti, 2012; Bergman and Lundberg, 2013; Khan and Khan, 2015; Rotich et al., 2015; Dzuke and Naude, 2015; Mahmood, 2017; Asif and Nisar, 2018). Although the studies covered public procurement, most of the studies focused on factor affecting the tendering process. There has been little attention on how the tendering process facilitates the attainment of procurement objectives in the public sector. This study intends to expand the scope and evaluate the extent to which the tendering process enables attainment of procurement objectives. The study therefore specifically focuses on how tendering influences the purchasing of goods and services at competitive prices, improve quality and assurance of the supply of goods and services.

The researcher further notes studies conducted in developed countries had operating or procurement environments with significant differences from developing countries. It is therefore necessary to conduct similar studies in developing countries such as Zimbabwe in order to test whether or not the findings remain consistent. It is further argued that even studies carried out in other developing countries with environments comparable to Zimbabwe, were meant to address contextual gaps in the jurisdictions in which they were carried out. The above literature therefore does not fully address the research objectives for this study hence the need for the current study as conceptualized below.

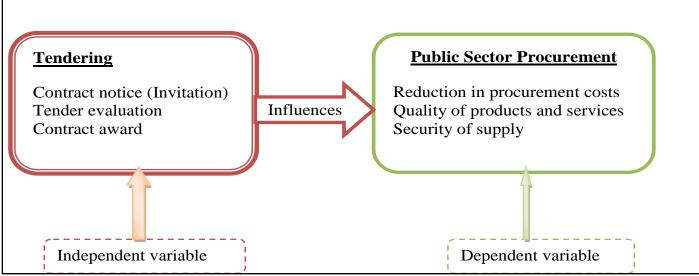
#### 2.9 Conceptual Framework

A conceptual framework gives direction to a study by defining the relevant variables and maps out how the variables are expected to relate to each other. A conceptual framework is often represented in a visual format. The conceptual framework for the current study is as indicated in Figure 2.2.





Sachetas



Source: Researcher, (2020)

#### Figure 2.2: Conceptual Framework

In this study, the independent variable is tendering which includes actions such as publishing of contract notice by a public procuring entity, evaluation of the submitted bids and the subsequent awarding of the contract to the winning supplier. The dependent variable is public sector procurement which is measured through reduction in costs, attainment of quality goods and services and the security of supply.

### **RESEARCH METHODOLOGY**

## 3.0 Introduction

#### 3.1 Research Approach

This study adopted a quantitative approach. The quantitative approach is objective and uses mathematical and statistical techniques of counting and measurement. This was in line with the quantitative nature of the current study which sought to evaluate the use of tendering in public sector procurement. This quantitative approach enabled the use of descriptive statistics and inferential statistics. The quantitative approach also enabled the researchers to conduct a survey using questionnaires with closed-ended questions. However, major limitation was that quantitative techniques did not enable the researchers to seek views and opinions from respondents regarding the usefulness of tendering in public procurement.

#### 3.2 Research Design

This study adopted an explanatory survey research design. An explanatory design is adopted in cases in which the researcher attempts to illustrate causal relationships between variables, (Park and Park, 2016). This was suitable for this study given the need to explain how the use of tendering influences public sector procurement at the MLGPW. The survey strategy used in this study was meant to enable the researchers to contact many respondents in the procurement department at the MLGPW.

#### 3.3 Population

The population for the current study consisted of 73 employees in the procurement department at the MLGPW. It should be noted that employees in the procurement department were involved in the public procurement processes in their day-to-day duties and responsibilities including the tendering processes. They could therefore, appreciate how the tendering process influences public procurement in terms of attaining goals such as cost reduction, better product quality and ensuring constant supply of goods and services to the MLGPW.

#### 3.4 Sample Size and its Determination

In view of the time and resource challenges as well as the inefficiencies associated with dealing with the population, a sample was selected for the current study. A sample size determination formula developed by Yamane in 1967 and indicated below was adopted in this study.

Yamane Formula:  $n = N/[1 + N(e)^2]$ 

n = sample size;





N = population size; e = level of precision = 0.05 Using the population of 73, the calculated sample size was therefore as follows: n = N/  $[1 + N(e)^2]$ = 73 /  $[1 + 73(0.05)^2]$ = 73 / (1 + 0.1825)= 73 / 1.1825 = 61

The sample size for the current study was therefore 61. In the researcher' view, the sample size was large enough to meet the statistical requirements of many data analysis techniques and thus helping to enhance the validity of the study findings. According to Bryman (2017), the minimum sample size required is 30 to enable approximation using normal distribution. It should be further noted that the sample size did not result in unnecessary use of resources nor was it too low to limit generalisation of findings.

#### 3.5 Systematic Sampling

In this study, systematic sampling was used to choose the respondents who took part in the study. Systematic sampling is the selection of elements from an ordered sampling frame. It involves initially choosing an element at random from the sampling frame and then selecting every n<sup>th</sup> element until the required sample size is met, (Brannen, 2017). In this regard, the sampling frame in the form of the register of all employees in the procurement department at the MLGPW was made available in consultation with the heads of the procurement sections. In order to obtain the starting point, a die a six-sided die was thrown and the number which appeared was adopted. Thereafter, the researcher chose every 2<sup>nd</sup> respondent on the list. The researcher had to return to the top of the list until the sampling bias. The major advantage of systematic sampling was that it involved some random selection which effectively minimised sampling bias. The sampling method was also very simple and easy to adopt. However, its limitation was that once the starting point is chosen the subsequent selection becomes fixed based on the n<sup>th</sup> element to be selected. There is risk of eliminating elements which might be necessary for examination in the study.

#### 3.6 Data Sources

Primary data and secondary data were employed in this study. Primary data refers to original and first-hand data obtained straight from the field intended to address specific objectives set out by the researcher, (Brannen, 2017). Through the survey strategy, primary data was gathered from the employees in the procurement department at MLGPW. It should be noted that primary data was more reliable and more authentic as it would not have been altered to meet other researchers' requirements. However, primary data was difficult to gather and was also more time consuming.

Secondary data is data gathered from other researchers with the data having been meant for other purposes, (Mackey and Gass, 2015). In this study, secondary data was collected from textbooks and journals accessed online, MLGPW internal records, newspaper articles and Government of Zimbabwe publications. The usefulness of secondary data was that it enabled the researcher to develop the literature review for the study and also obtain statistics on procurement trends locally and internationally. Secondary data also formed the basis for findings in this study to identify where the findings fit, converge or diverge with existing body of knowledge. The main limitation of secondary data was that it needed to be screened and assessed to determine its relevance to matters relating to tendering and public procurement.

#### 3.7 Data Collection Instrument

Structured questionnaires were used to collect data from the respondents. The questionnaire used in this research study had four main sections. Section A of the questionnaire collected data on the demographic profiles of the respondents. Section B looked at tendering and its influence on acquisition of goods and services at competitive prices. The effect of tendering on the quality of products and services being procured was covered in Section C of the questionnaire. Section D covered the impact of tendering on the security of supply. The questionnaire comprised closed-ended questions on a 5-point Likert scale where response options ranged from strongly agree to strongly disagree. Respondents were requested to indicate the extent to which they agreed or disagreed with the statements provided. This was followed by an open-ended question which was meant to provide respondents an opportunity to comment on any other issue (s) on tendering and public procurement related to the objective in question.

The advantage of using questionnaires was that they provided respondents adequate time to complete them without having interruptions. Questionnaires also enabled the researcher to quickly include many respondents at the MLGPW. Given the time and resource constraints earlier mentioned, questionnaires were cost efficient and effective. The major limitation of questionnaires was that they did not allow the researcher to interrogate the responses provided and it was also not possible to gauge the reactions, feelings and behaviours of the





respondents as they answered the questions. Such qualitative data is necessary in understanding the gravity of matters contributed by respondents.

#### 3.8 Data Collection Procedure

In this study, the majority of the questionnaires were self-administered to the respondents while a few were sent by email to the respondents. The questionnaires were collected after three (3) working days. This was meant to allow the respondents adequate time to answer the questions in privacy. The researchers had to advise in advance that she would be distributing her questionnaires over lunch so that she did not disrupt the work flow of the respondents. Once completed, the respondents were asked to return the questionnaires to the heads of sections for onward transmission to the researcher.

#### 3.9 Validity and Reliability

Reliability and validity were accommodated for in this study. Reliability is the extent to which a research instrument has capacity to produce the same results on repeated trials. It is the stability or consistency of scores over time or across raters, (Mackey and Gass, 2015). To ensure reliability, secondary data from credible journals, textbooks and government publications which adequately verify the integrity, correctness and accuracy of their publications was used. The researchers made follow ups on the questionnaires which were sent out to the respondents so that a high response rate could be achieved in the study.

Barnham (2015) defines validity as the degree to which an instrument measures what it purports or intends to measure. The questionnaire was pilot tested on two (2) respondents. The pilot testing exercise sought to test if the questionnaire could successfully collect data which enabled evaluation of the use of tendering in public procurement at the MLGPW. This improved question wording, removal of procurement and tendering technical terms as well as encouragement to use simple language likely to be understood by the respondents. Validity was further enhanced by using a fairly bigger sample size of 61 which indeed improved the generalisation of the findings to the population.

#### 3.10 Data Analysis and Presentation

Data were presented and analysed as explained hereunder:

#### 3.10.1 Data Analysis

The Statistical Package for the Social Sciences (SPSS) version 19 was used to analyse data. Descriptive statistics were used to show trends in tendering and public procurement at the MLGPW. Some of the statistics used include mean, mode, maximum and minimum. Frequencies and percentages were also used to indicate the extent to which tendering influenced public procurement. Qualitative data from open ended questions was analysed using thematic content analysis. In this connection, common aspects in responses provided to a specific question were identified and themes, decided by the researcher, were used to summarise the responses.

#### 3.10.2 Data Presentation

Data presentation was done through the use of tables and bar graphs extracted from SPSS. This improved the communication of findings to the reader as tables significantly improved the ability of the reader to make comparisons. Bar graphs enhanced the visual appeal to the reader and enabled the reader to connect with the detailed analysis provided.

#### 3.11 Ethical Considerations

Research ethics can be considered as the moral rules and professional codes of conduct which should be observed in collecting, analysing, reporting and publishing information about respondents, (Bryman, 2017). Informed consent, privacy, anonymity and confidentiality are common research ethics. In this study, the researcher satisfied these research ethics through the following steps:

The respondents were made aware of the objectives of the study and the contributions in intended to make to the procurement domain. The respondents were then asked whether or not they wanted to take part in the study. No respondents were therefore forced to participate but did so following informed consent. Respondents were also asked to complete the questionnaires in at their own time without the present of the researchers so that they could enjoy their privacy. It was also not required that the respondents indicate their names or any other personally identifying information so that the identity of the respondents remained protected through the study. A commitment to provide confidentially was made to the respondents through the introductory letter which accompanied the questionnaires. Also, no data was shared with any other person as the data was wholly used for academic purposes.





## DATA PRESENTATION AND ANALYSIS

#### 4.0 Introduction

#### 4.1 Questionnaire Response Rate

Table 4.1 indicates the response rate for the study.

#### Table 4.1: Response Rate

Questionnaires Distributed	61
Questionnaires Received	53
Valid Questionnaires	51
Valid Response Rate	83%

Source: Primary Data, (2020)

A total of 61 questionnaires were distributed to the respondents. The researcher managed to collect 53 questionnaires. An examination of the questionnaires received showed that 2 questionnaires were not completed in full and had missing information on the objectives. These two questionnaires were discarded and 51 were used in the final analysis. The response rate for the study was therefore 83%. This was high enough to ensure that the results would be reliable.

#### 4.2 Demographic Profile

The gender, highest level of education and level of experience in public procurement of the respondents are provided in this section.

#### 4.2.1 Gender Distribution

The gender of the respondents was as shown in Table 4.2.

#### Table 4.2: Gender of Respondents

		Frequency	Percent	Cumulative Percent
Valid	Male	28	54.9	54.9
	Female	23	45.1	100.0
	Total	51	100.0	

Source: Primary Data, (2020)

Table 4.2 indicates that 54.9% of the respondents were male while 45.1% were females. This means that there was a fair balance in gender and this ensured that there was no absolute gender bias on tendering and public procurement in the responses provided.

#### 4.2.2 Highest Level of Education

Table 4.3 shows the level of education of the respondents.

#### Table 4.3: Highest Level of Education

		Frequency	Percent	Cumulative Percent
Valid	Secondary Education	5	9.8	9.8
	Certificate/ Diploma	16	31.4	41.2
	First Degree	19	37.3	78.4
	Postgraduate Degree	8	15.7	94.1
	Other	3	5.9	100.0
	Total	51	100.0	

Source: Primary Data, (2020)

The results show that 9.8% had secondary education, 31.4% had certificates or diplomas, 37.3% held first degrees, 15.7% had postgraduate degrees and the remaining 5.9% cited other qualifications. This meant that 91.2% of the respondents had tertiary level education. This improved their capacity to comprehend tendering and public procurement in general thus enhancing the quality of the responses provided.

#### 4.2.3 Level of Experience in Procurement

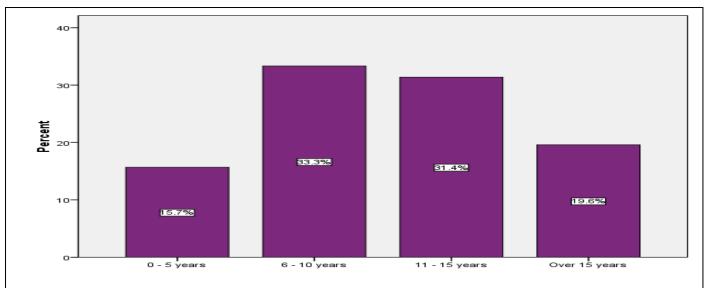
The experience level, in years, of the respondents was as indicated in Figure 4.1.





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Source: Primary Data, (2020)

#### Figure 4.1: Years Worked in the Procurement Function

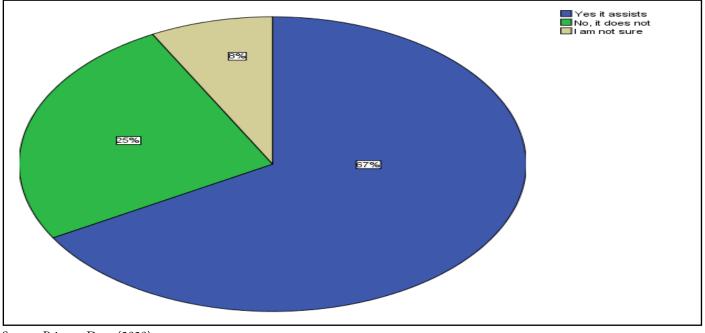
The results indicate that 15.7% were in 0 -5 years category, 33.3% had worked for between 6 and 10 years, 31.4% had 11-15 years of experience and 19.6% had over 15 years. This shows that 49% of the respondents had less than 10 years while 51% had worked for over 10 years in the procurement function. Most of the respondents were therefore more likely to understand the value of tendering in public procurement gained over their working lives.

#### 4.3 Tendering and its influence of costs of goods and services

The first objective sought to establish the influence of tendering on acquisition of goods and services at competitive prices. The respondents expressed their level of agreement or disagreement to pre-established statement and the responses obtained are covered in the ensuing sub sections.

#### 4.3.1 Tendering and Public Procurement Objectives

Figure 4.2 shows the responses obtained on whether or not tendering assists in attaining public procurement objectives.



#### Source: Primary Data, (2020)

#### Figure 4.2: Tendering and Public Procurement Objectives

Figure 4.2 shows that as high as 67% of the respondents agreed that tendering assists attainment of procurement objectives, 25% said tendering does not assist and the remaining 8% were not sure. The general agreement among the respondents could possibly be explained

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by the fact that preparation of invitations to tender by public sector organisations forces then to formerly concentrate on key procurement objectives such as lower costs and improved quality as they form the basis of the criteria in selection. Purchases which do not follow the tendering procedure may not be subjected to the necessary due diligence to meet procurement objectives. This finding supports the contribution by Rasheed (2015) that restricted rendering procedures incorporate supplier ability to attain procurement objectives.

#### 4.3.2 Competitive Tenders Increase Transparency in Cost Structures

The responses on the statement that 'competitive tenders increase transparency in cost structures' were as indicated in Table 4.4. Table 4.4: Competitive Tenders Increase Transparency in Cost Structures

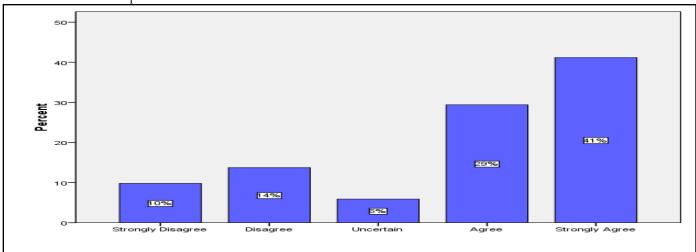
		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	17	33.3	33.3
	Disagree	19	37.3	70.6
	Uncertain	4	7.8	78.4
	Agree	8	15.7	94.1
	Strongly Agree	3	5.9	100.0
	Total	51	100.0	

Source: Primary Data, (2020)

The results show that 33.3% of the respondents strongly disagreed, 37.3% disagreed, 7.8% were uncertain, 15.7% agreed and 5.9% strongly agreed. This meant that the majority (70.6%) of the respondents disagreed. The study therefore deduced that competitive tenders do not necessarily increase transparency in cost structures. This could be explained by the realisation that some tenders include post tender negotiations which may stifle competition and dampen transparency the negotiations may be tilted in favour of certain suppliers. In such circumstances, it can be possible the human interventions reduce the competitiveness of the tendering process. The finding therefore supported Ayoti (2012)'s study on three public institutions in Kenya which revealed that the competitiveness of tendering in government is weighed by favouritism, tribalism and nepotism.

#### 4.3.3 Reduction of Costs in the Value Chain

Figure 4.3 indicates responses on the statement that "tenderers scout for opportunities to reduce costs in their value chain to enable submission of the lowest price"



Source: Primary Data, (2020)

#### Figure 4.3: Tenderers Reduce their Costs

Figure 4.3 illustrates that 10% of the respondents strongly disagreed, 14% disagreed, 6% were uncertain, 29% agreed and 41% strongly agreed. This meant that a total of 70% of the respondents agreed compared to 24% in disagreement. Given the general agreement (70%), the study deduced that indeed tenderers scout for opportunities to reduce costs in their value chain to enable submission of the lowest price. This could most likely arise from the 'non-cooperative game' in which suppliers strive to outcompete each other on cost but transferring the cost benefits to the procuring public entity. The resultant lower prices improve cost efficiency for the procuring public entity. These results





were therefore consistent with Rotich et al. (2015)'s finding that tendering is positively related to procurement performance in the local governments.

#### 4.3.4 Tendering Promotes Competition, Discipline and Self-Drive to Reduce Costs

The views of the respondents regarding whether or not tendering promotes competition, discipline and self-drive to reduce costs were as indicated in Table 4.5

#### Table 4.5: Tendering promotes discipline and self-drive to reduce costs

		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	7	13.7	13.7
	Disagree	6	11.8	25.5
	Uncertain	3	5.9	31.4
	Agree	21	41.2	72.5
	Strongly Agree	14	27.5	100.0
	Total	51	100.0	

Source: Primary Data, (2020)

Table 4.5 indicates that 13.7% of the respondents strongly disagreed and 11.8% disagreed working out to a total of 25.5%. On the other hand, 41.2% of the respondents agreed and 27.5% strongly agreed giving a total of 68.7%. Accordingly, the study deduced that indeed tendering improves competition among potential suppliers and restrain them from unnecessarily raising costs for fear of losing the current and future contracts. As the tenderers bargain, they do so with clarity that higher priced quotations reduce chances of being awarded the construct. These results were in support of Asif and Nisar (2018) who asserted that suppliers' need for lucrative public sector contracts induces self-discipline to contain costs and remain competitive.

#### 4.3.5 Other Ways of Gaining Competitive Prices

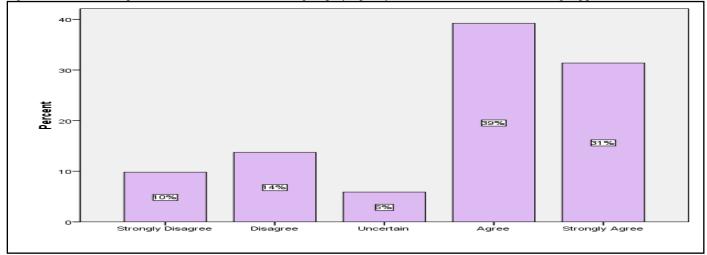
The respondents were also asked to indicate other ways they thought tendering influences the acquisition of goods and services at competitive prices. It was however suggested that tendering processes in government lack flexibility as they are strictly conducted in line with public procurement legislations which at times do not prescribe cost as a key condition for awarding tenders. The views were in line with Dzuke and Naude (2015)'s study which noted rampant flouting of tender procedures in the procurement process disguised through legal procurement frameworks.

#### 4.4 Effect of Tendering on the Quality of Products and Services

The second objective examined the effects of tendering on the quality of products and services at the MLGPW.

#### 4.4.1 Tendering Uses Quality Attributes to Screen Potential Suppliers

Figure 4.4 shows the responses on whether or not tendering employs quality attributes as the basis of screening suppliers.



Source: Primary Data, (2020)





#### Figure 4.4: Tendering uses quality attributes to screen potential suppliers

Figure 4.4 illustrates that 10% of the respondents strongly disagreed, 14% disagreed, 6% were uncertain, 39% agreed and the remaining 31% strongly agreed. Respondents in agreement were therefore in the majority at 70% compared to those in disagreement at 24%. The study therefore inferred that tendering ensures that quality aspects required by the procuring entity are met. The procuring public entities set minimum technical scores which should be achieved to avoid compromising quality particularly on construction works. This finding thus confirmed Chigudu (2014)'s assertion that pre-qualifying questionnaire rely on high level quality attributes to screen and eliminate suppliers.

#### 4.4.2 Tendering and Prevention of Cartels

The results in Table 4.6 indicate the responses on whether or not tendering prevents cartels who reduce quality of products and services. **Table 4.6: Tendering prevents cartels** 

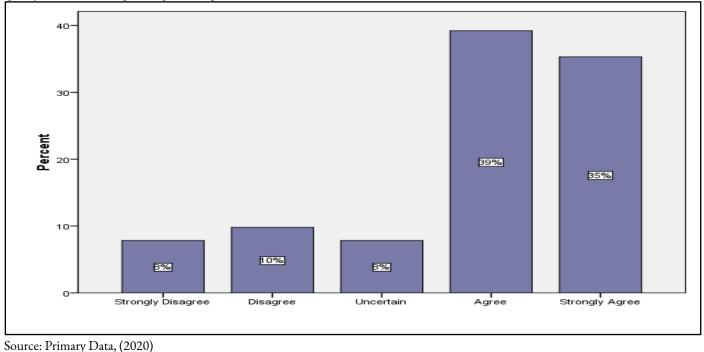
	-	Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	16	31.4	31.4
	Disagree	13	25.5	56.9
	Uncertain	5	9.8	66.7
	Agree	5	9.8	76.5
	Strongly Agree	12	23.5	100.0
	Total	51	100.0	

Source: Primary Data, (2020)

Table 4.6 shows that 31.4% of the respondents strongly disagreed, 25.5% disagreed, 9.8% were uncertain, 9.8% agreed and 23.5% strongly agreed. This meant that more than (56.9%) of the respondents thought that tendering does not stop the emergency of cartels who may temper with the quality of procured goods and services in the public sector. The most likely explanation could be that government institutions operate with a list of approved suppliers for different categories of goods, services and works. As such, it is possible that the few selected customers may connive to submit tenders with substandard quotations and poor quality. These results were therefore in contradiction with the assertions made by Noor (2011) that tendering avoids cartels which can connive to provide substandard products and services.

#### 4.4.3 Tendering Process Incorporates Quality Standards

The results in Figure 4.5 refer to the disagreement or agreement among respondents on the statement that 'tendering process incorporates quality standards during the negotiation phase.'







#### Figure 4.5: Tendering process incorporates quality standards

Figure 4.5 illustrates that 8% of the respondents strongly disagreed and 10% disagreed translating to a cumulative 18%. On the other hand, as high as 39% of the respondents agreed and 35% strongly agreed working out to 64%. Only 8% of the respondents were uncertain. In line with the strong agreement (64%), the study deduced that indeed tendering positively affects quality standards which get incorporated during the negotiation phase. It should be noted that short listed suppliers are normally invited for negotiations and at such stage the public entities have an opportunity to clarify the quality expectations and the potential supplier demonstrates ability to satisfy the requirements. These findings were broadly consistent with the assertions made by Mahmood (2017)'s negotiations between the purchaser and the contractor provide opportunities to infuse quality attributes.

#### 4.5 Impact of Tendering on the Security of Supply

The third objective examined the impact of tendering on the security of supply at the MLGPW. The responses obtained are covered in the next subsections.

#### 4.5.1 Tendering Affords Opportunities to Negotiate Favourable Delivery Terms

Table 4.7 shows responses on whether or not tendering affords opportunities to negotiate favourable delivery terms.

Table 4.7: Tendering	g improves	delivery	conditions
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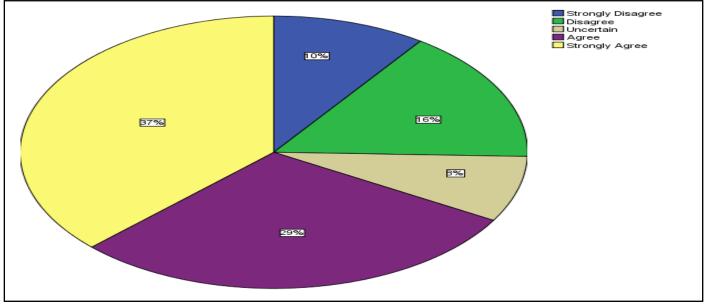
	-	Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	6	11.8	11.8
	Disagree	4	7.8	19.6
	Uncertain	4	7.8	27.5
	Agree	18	35.3	62.7
	Strongly Agree	19	37.3	100.0
	Total	51	100.0	

#### Source: Primary Data, (2020)

The results in Table 4.7 indicate that 11.8% of the respondents strongly disagreed, 7.8% disagreed, 7.8% were uncertain, 35.3% agreed and 37.3% strongly agreed. Further analysis shows that 19.6% of the respondents were in disagreement compared to 72.6% in agreement. Accordingly, the study deduced that tendering improved delivery conditions for public sector entities. The reason could most likely be that public entities may set pre-requisite conditions for awarding a tender which may include shorter lead times, onsite delivery, responsiveness, reliability or linking procurement systems with suppliers to ensure automatic reorders and processing of payments. Collectively, such development may improve the availability of required goods and services at all times as suggested by Domberger and Rimmer (2004).

#### 4.5.2 Tendering Supports Development of Sustainable Supplier Relationships

Responses on the degree to which tendering supports the development of sustainable relationships are as indicated in Figure 4.6.



Source: Primary Data, (2020)





#### Figure 4.6: Tendering supports development of sustainable supplier relationships

The results showed that 10% of the respondents strongly disagreed, 16% disagreed, 8% were uncertain, 29% agreed and 37% strongly agreed. This meant that respondents were in agreement were in the majority at 66%. As such, the study inferred that tendering improves the development of sustainable supplier relationships. The explanation could be that negotiations between suppliers and the public entity may result in collaborative, win-win arrangements which ensure that both parties are satisfied. The net effect would be emergence of long-term supplier relationships. This finding is supported by Domberger and Rimmer (2004)'s views that tendering systems have moved away from focusing on lower prices to other procurement objectives such as sustainable supplier relationships,

#### 4.5.3 Tendering Eliminates Corruption

The views of the respondents on whether or not tendering eliminates corruption in public sector procurement were as indicated in Table 4.8.

		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	14	27.5	27.5
	Disagree	16	31.4	58.8
	Uncertain	5	9.8	68.6
	Agree	7	13.7	82.4
	Strongly Agree	9	17.6	100.0
	Total	51	100.0	

Table 4.8: Tendering eliminates corruption in the supply of goods and services

Source: Primary Data, (2020)

The results indicate that 27.5% of the respondents strongly disagreed and 31.4% disagreed giving a total of 58.9%. Table 4.8 also indicates that 13.7% of the respondents agreed and 17.6% strongly agreed translating to a total of 31.3%. The remaining 9.8% of the respondents were undecided regarding the matter. Given that more than half (58.9%) of the respondents disagreed, the study deduced that tendering did not eliminate corruption in the supply of goods and services. This negative finding could most likely be explained by the development that cartels may form from the list of approved suppliers and manipulate product availability. This finding was in line with Adewole (2019)'s argument that manipulation of legislative frameworks and tender processes has seen escalation in fraud and collusion in public sector procurement.

#### 4.5.4 Other ways tendering impacts the security of supply

The respondents were asked to suggest other ways they thought tendering impacts on the availability of products and services at the MLGPW. Key themes from the responses were that timely and speedy delivery can be negotiated in advance or can be set by the procuring public entity as a condition to sustain the contract. The general argument was that tendering ensures that only suppliers with capacity to deliver the products or services are awarded the contract. It was explained that post tender negotiations ensure that procuring entities negotiate after sales support services which ensure access to products and services rendered.

## **CONCLUSIONS AND RECOMMENDATIONS**

#### 5.0 Introduction

#### 5.1 Summary of Key Findings

This research study evaluated the use of tendering in public sector procurement using MLGPW as the case study. The objectives were to explore the extent of tendering on influencing the acquisition of goods and services at competitive prices; assess the effect of tendering on the quality of products and services; and examine the impact of tendering on the security of supply at the MLGPW. The study adopted a quantitative approach and an explanatory survey design. Questionnaires were used to collect data from respondents selected using systematic sampling. Data analysis performed using SPSS revealed the following key findings:

With regards to the influence of tendering on acquisition of goods and services at competitive prices, the study found out that tenderers scout for opportunities to reduce costs in their value chain to enable them to submit the lowest price. This was supported by 70% of the respondents. It was also noted that as suppliers attempt to outcompete each other, there would be self-drive to reduce costs for fear of losing contracts. This was indicated by 68.7% of the respondents.

Concerning the effect of tendering on the quality of products and services being procured, the study noted that tendering embeds minimum technical scores and quality standards which have to be met as part of the pre-selection process. As high as 64% of the respondents agreed





that the negotiation phase of the tendering process provides opportunities for clarifying quality expectations of the public entity. This improves chances of meeting quality requirements for the products and services being procured.

Pertaining to the impact of tendering on the security of supply, it was revealed that tendering affords opportunities to negotiate favourable delivery terms for public entities as conditions for awarding the tender. This was supported by a total of 72.6% of the respondents. It was further noted that the negotiation platforms between suppliers and the public entities often result in collaborative win-win circumstances leading to the development of sustainable supplier relationships. This in turn improves the supply of products and services to the public entities. These key finding formed the basis of the following conclusions;

#### 5.2 Conclusions

Guided by the above key findings, the following conclusions were made:

The study concluded that tendering has a strong influence on lowering the cost of goods and services for public entities. This is driven by the uncooperative competition among suppliers aiming to offer the best price, and in the process, benefiting the procuring public entity. The study concluded that tendering processes positively impact on procurement of quality products and services by public entities. This is achieved through inclusion of quality attributes as the basis for pre-selection processes and the final negotiations before awarding of tenders to potential suppliers. The study further concluded that tendering positively affects the security of supply for public entities. Tendering negotiations enable negotiations for favourable delivery terms and development of collaborative and sustainable supplier relationships.

#### 5.3 Recommendations

The above key findings and conclusions led to the following recommendations;

#### 5.3.1 Prioritise tendering in the public sector

This study recommended that public entities in Zimbabwe, including the MLGPW, prioritise tendering as the means to procure goods, services, utilities and works. This could be enforced through monitoring adherence to tendering processes. The Auditor General's Office, in its annual audits, could assess all the procurement activities eligible for tendering within the MLGPW and other public entities.

#### 5.3.2 Deepen Procurement Negotiation Skills and Capacities

This study recommended that the MLGPW deepen procurement negotiation skills and capabilities with its procurement staff given its usefulness in ensuring quality and the security of supplies to public entities. This could be achieved through in-house training or sending staff for professional training at colleges and universities.

#### 5.3.3 Develop collaborative supplier relationships

The study also recommended that the MLGPW develop collaborative supplier relationships in its tendering processes as a way of improving quality and availability of supplies. This could be operationalised through a deliberate focus towards win-win arrangements with suppliers to whom contracts are awarded. This could ensure the creation of sustainable business-to-government relationships with positive impact on the attainment of procurement objectives.

#### 5.4 Suggestions for Further Studies

This research study was limited to the MLGPW. A further study could be conducted with a larger number of government public ministries such as the ministry of primary and secondary education, ministry of health and child welfare and ministry trade and commerce, ministry of home affairs for examples. This could enable expanding the sample size and find out if the findings remain consistent as well as improve the generalizability of the findings. This study noted that tendering may not eliminate corruption in the supply of goods and services in public entities. A further study could take interest in the reasons behind failure to combat corruption and inflating of high prices and with future new ways of suggesting conducts of tightening the tendering processes in the public sector in Zimbabwe.

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