ABSTRACT

The study on factors hindering adoption of E-Procurement in public organization in Tanzania with a focus on Arusha City Council (ACC) has revealed high (100%) awareness on E-Procurement at the ACC. However, only 8% of the sample has been trained on application of the technology. And 60% are ready to accept and use it. E-Procurement has extensive use in requirement forecasting and planning (74.3%), communicating orders (100%), suppliers' selection (100%), order placement (94.3%), order follow-ups (97.2%), receipts (71.5%), issuing (91.4%), online bids and quotations (100%), payment process (100%). Application of E-Procurement is low in areas of contract awarding (40%) and contract management (48.5%). Although 85.7% of the participants agree that E-Procurement is good for procurement effectiveness, they also mentioned that the technology used at the Arusha City Council is difficult to use and not compatible with the organization. E-Procurement is helpful in costs and time savings, improving relationship with suppliers and enhancement of transparence in the whole procurement process. The technology is also helpful in increasing efficiency and productivity, enables better information management, reduce errors in the procurement process and enables uniformity of the procurement process. E-Procurement face various challenges, such as, unavailability of capable and adequate ICT equipment, few or no enough skilled personnel who can handle E-Procurement technology, high operational cost, unreliable power supply, lack of management support, unreliable internet connections, technological risks such as hacking of sensitive data and difficult implementations. Provision of more capable infrastructures, more training, allocation of more resources to the process of developing and adopting E-Procurement, improving power supply, improving legal framework to further enforce application of E- Procurement and involving suppliers in the process of developing and adopting E- Procurement are among notable measures that could assist organization to improve the position of E-Procurement. It is recommended that public organizations should adopt E-Procurement technology that is compatible with their functions. Management support and training t E-Procurement is emphasized. Further studies on impact of E-Procurement on the performance of public organizations and on impact on the national economy with a focus on public sector expenditures are suggested. Public Procurement Policy should be reviewed from time to time to ensure that government institutions are adopting e-procurement technology that is compatible with its functions. The policy should also emphasize on frequent training on e-procurement technology.