

ABSTRACT

The study examined the impact of electronic procurement on the performance of public institutions in Arusha City Council. The specific objectives were: - to identify the factors that influence e-procurement implementation successes in the public sector, to explore a number of e-procurement programmes that fail due to poor technology in Arusha City Council and to find out the impact of e-procurement on the number of suppliers in Arusha City Council. The study was guided by disruptive innovation theory and Diffusion of Innovations Theory. Descriptive research design and mixed approach were used. Data were collected through closed-ended questionnaires and interviews. The analysis of data was done through descriptive statistics and content analysis. The study found out that factors influencing e-procurement implementation successes in the public sector included; cost effective, reduced errors, time serving, promote accountability, enhance efficiency, promotes transparency and ensure value for money. The study further found that e-procurement programs that fail due to poor technology were the e-contract management and e-tendering respectively. Finally, the study found that the impact of e-procurement on the number of suppliers includes; making the procurement process easy, reduce supplies loss, enhance transparency in tender competition, increase transaction speed, standardizes supplies, reduces errors for suppliers records and that it ensures better services to suppliers. The conclusion made that ; e-procurement was vital in enhancing performance of public institutions as it ensures cost effective, reduced errors, time serving, promote accountability, enhance efficiency, promotes transparency and ensure value for money, poor technology resulted to the failure of some e-procurement programs such as the e-contract management and e-tendering respectively. The study concluded that among the challenges in e-procurement in Arusha City council included the difficulty to reconcile once the item is uploaded, the slowness of the system, suppliers refuse to bid, shortage of ICT personnel, instability of power supply and high reluctance of some suppliers to use online platforms. It was recommended that the government should invest more on e-procurement since it enhance performance in public institutions as it is cost effective, reduces errors, time serving, promote accountability, enhance efficiency, promotes transparency and ensure value for money. It was further recommended that efforts should be made to reduce the challenges of e-procurement such as the slowness of the system, unawareness of some suppliers to use online platforms, shortage of ICT personnel and instability of power supply.