
**ASSESSMENT OF THE PROCUREMENT PROCEDURES FOR PUBLIC
PROCUREMENT SERVICES IN ZANZIBAR: A CASE OF ZANZIBAR PORT
CORPORATION**

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ABSTRACT

The study assessed the stipulated procurement procedures for public procurement services in Zanzibar Port Corporation. Data collection for this study was done through Questionnaires and interview; data from primary source were obtained from the respondents whom they gave researcher an on-site observation relating to the problem. A total of 45 respondents were selected purposively. The findings of the study reveal that, in the organization there were different act conducted in accordance with procurement procedures in Zanzibar. For instance the followings were mentioned by the respondents:- through to receiving the goods, the minute a purchase request, identifying suppliers, negotiating price as well as invoice approval. However, data obtained through questionnaires on the practical Procurements of Public Procurement Services In Accordance With Procurement Procedures in Zanzibar. The study concludes that: - delay to award contract to the responsive bidders; Lack of funds; Lack of awareness and knowledge about ZPPDA, high price charged by supplies on goods and services; Deliveries of item requested by user department; Poor implementation of procurement plan and ICT and network related problems hinders procurement procedures. The study recommends that, the government also, should allocate more funds for the procurement procedures so as to make it more effective.

Keywords: Procurement Procedures, Public Procurement Services and Zanzibar Port Corporation

Introduction

The public procurement has a great impact on the economic, social, political and legal environment (RTT, 2005). The public procurement of services, goods and works on average, accounts to an estimate of 15 per cent of the gross domestic product (GDP) worldwide (OECD, 2008). Recently, public procurement has gained attention to ensuring responsibility and efficiency of utility of public fund effectively. Obviously, as a process public procurement is one of the criteria for accountability of government institutions (Hassan, 2013). Public procurement procedure is a function that includes all stages of the process of acquiring property, works and services, involving the use of public funds to accomplish specified public goals. It begins with the identification of the need to completion of the contract (Handler, 2015). The needs are evaluated, scope of works, products, or services identified, form of delivery and methodology for making contractual choices determined, contractual arrangement entered into and works or services performed (RTT, 2005). Efficient public procurement procedure is a part of the requirement of the public expenditure management in modern budget systems (Hassan, 2013). The sound procurement policy and practice can reduce the costs of public expenditure; produce timely results, stimulate the development of private sector; and reduce waste, delays, corruption and government inefficiency (Djurovic-Todorovic and Djordjevic, 2009). On the other hand, the inefficient use of public funds can be generated from problems across the entire procurement procedure from the definition of the needs and creation of the bidding documents, to a lack of transparency and competition in the process followed for announcements, bidding, evaluation and award of contracts, to poor contract supervision (OECD, 2005). Public procurement procedure is bound to be executed within stipulated legal framework while advancing government goals (Murray, 1999). The procuring entities may have internal objectives such as cost, efficiency and timely delivery of services or goods. On the other hand, the entities has to serve the goals of the general public who are tax payers and may happen that all of them have conflicting goals (Schapper et al, 2006). This makes the procurement process more complex to the procuring entities for attaining expected objectives. As a result, many procurement entities are suffering from huge losses due to poor management in the procurement processes (Shirima, 2009). The procurement process mainly encompasses procurement planning, tendering and contract management (OECD, 2010). The procurement planning and tendering processes had impact on duration taken to execute works, services

or goods to be delivered as well as quality and cost of the acquired goods, works or services. The contract management phase enables public entities to get desired quality of deliverables, at the targeted time and within budget. There is need for paying attention to procurement procedures such as procurement planning, tendering and contract management, and needs holistic approach (Alex, 2007). Procurement planning and tendering processes play a pivotal role of the procurement process for having smooth contract management and ultimately delivering expected outputs (IICA, 2017). Thus, in order to have sound procurement system, efficient procurement procedures are of paramount importance to procuring entities.

The Revolutionary Government of Zanzibar has realized the importance of public procurement to the economic development of the country and its contribution to poverty reduction as well as good governance. The public procurement authority was established immediately to deal with resolution of complaints and disputes arising from the government procurement process. The unit was mandated to regulate procurement activities and procuring entities were allowed to do procurement (Hassan, 2013). The efforts made have stipulated documentary procedures that should be followed in public procurement. Despite the efforts made still the public procurement services are in questioning in Zanzibar. Therefore, this study tends to analyze the procurement procedures to the improvement of public procurement services (PPS) in Zanzibar particularly in Zanzibar Port Corporation (ZPC).

Literature Review

Procurement procedures for Public Procurement Services

In procurement circle, procurement procedures are the considered necessary to make procurement process effective. Procurement process means successive stages in the procurement cycle, including planning, choice of procedures, measures to solicit offers from tenderers, examination and evaluation of those offers, award of contract and contract management (PPA, 2004). In their work, IICA (2017) proposed four levels of procurement methods that procedurally make procurement reliable. The methods given are depending on the size of fund to be spent or availability of suppliers. For example, it is allowed to do purchases from petty cash supplier without quotations if the amount of fund to be spent is low. However, it was cautioned that there should be rotating of suppliers to avoid malpractice. The procedure of using petty supplier is proposed also by Handler (2015) who stated that as an institution is spending lower amount of fund, the supplier to be invited must range on the status of local supplier (petty supplier). The practice is relevant to Zanzibar institutions as many petty suppliers are benefited from the procedure. However, it is important for this research to realize on the loopholes of applying this procedure to public institutions.

Moreover, IICA (2017) propose direct procurement as another procurement procedure. In this procurement method, quotation and purchase order are needed to make procurement valid. Additionally, all public services with only one supplier might use this procedure. In another case, it reveals that public procurement can also use comparative procurement. In this procedure, the institution should prepare at least three quotations regarding to comparing the services and prices among the suppliers.

The last procedure according to IICA (2017) is procurement by an institutional binding process. The process demands to use several binders to compete for procurement through transparent process. This procedure is followed when the institution wants to implement the project which will spend huge fund. And, if the competitive binder are fairly determined, there is a possibility of efficiency of the operating the public projects. However, the situations of delaying of operating public projects in Zanzibar is

experienced, which is a case of this study need to observe the procurement procedures if they are effectively applied.

Research methodology

Data collection for this study was done through Questionnaires and interview; data from primary source were obtained from the respondents whom they gave researcher an on-site observation relating to the problem. A total of 45 respondents were selected purposively.

In order to ensure validity this study used more than one source of data collection technique. The researchers used questionnaire, and interview. Patton (2002) noted that, studies that use one method are susceptible to errors linked to a particular method than studies that used more than one method whereby different types of data provide cross-data validity checks. Patton (2002) noted that, validity in qualitative research is determined by the instrument and researcher. The researcher is a main person in obtaining information from research participants. In this study the researcher ensured reliability by preparing in advance questionnaires and interview guide.

Findings and Discussion

Stipulated Procurement Procedures for Public Procurement Services in Zanzibar

The study, wanted to understand the stipulated Procurement Procedures for Public Procurement Services in Zanzibar. It was then revealed that, tendering procedures found were:-selection of Suppliers to be invited to Tender, request for and submission of tenders, technical evaluation, negotiation and award of contract, delivery, inspections, and payment. The table below presents the procurement procedures obtained in the filled:-

Table 4.1: Stipulated Procurement Procedures for Public Procurement Services in Zanzibar

Variables	1		2		3		4		5	
	F	%	F	%	F	%	F	%	F	%
Selection of Suppliers to be invited to Tender	8	27	10	33	4	13	4	13	2	7
Request For and Submission of Tenders	7	23	9	30	10	33	2	7	2	7
Technical Evaluation	9	30	7	23	10	33	3	10	1	3
Negotiation and Award of Contract	11	37	9	30	5	17	3	10	2	7
Delivery, Inspections, and Payment	10	33	8	27	7	23	2	7	3	10

1 Strongly agrees, 2-Agree, 3- Neutral, 4-Disagree and 5-Strongly disagree

Source: Field Data, (2021)

Selection of Suppliers to be invited to Tender

The study has analyzed the feedback of the respondents on whether selection of suppliers to be invited to tender were done effectively. Findings have shown that, 33% of the respondents agreed, that selection of suppliers to be invited to tender were done properly, 27% strongly agreed, 13% were neutral, 13% disagreed and 7% of the respondents strongly disagreed.

Request For and Submission of Tenders

In order to determine whether the submitted tenders were completed properly, the respondents' feedback was analyzed. According to the findings, 23 percent strongly agreed that tender submissions were performed properly, 30 percent agreed, 33 percent were uncertain, 7 percent disagreed, and 7 percent strongly disagreed. Tender documents were generated and then bundled all required contract documents in an electronic form and then transmitted by e-mail, according to a study done by PPRA (2010) on tendering in the construction sector in Tanzania. Tender materials were distributed to contractors via the client's tendering portal as well. Tender documentation were made available to all contractors via a web link. Contractors' returned tenders were uploaded to the client's tendering portal and returned. Clients opened returned tenders at the same time.

The consultants participating, on the other hand, did not have the opportunity to attend the tender opening. All returned tenders were submitted back to the contractors electronically for examination and reporting at the end of the tendering process (PPRA, 2010). Similarly, Awidi (2008) lists the benefits of tendering as a reduction in tender administration and the provision of a single source of information. Furthermore, no tender documentation was duplicated, including sending numerous e-mails.

Whether Tender openings were conducted properly

The analysis on whether tender assessments were conducted properly. Findings below show that, 68% of them strongly agreed that tender opening was conducted properly, 16% agreed and 8% of them were neutral. The Tender Board invites all tenderers to an opening ceremony at which the tender documents are opened in front of all tenderers. The tender board verifies that tenderers have filed all required paperwork and that they have met all deadlines. Normally, there is a period of time between tender submission and tender opening.

Technical Evaluation

Findings on whether technical evaluation was conducted properly. Findings show that, 30% of them strongly agreed that tender evaluation was conducted properly, 23% agreed, 33% were neutral, 10% strongly disagreed and 3% of the respondents disagreed. The findings of the study agree with those of (Mayavi, 2013), who stated that the Zanzibar Port Corporation's Tender Board evaluates each tender document against the specified requirements; she also stated that the Tender Board conducts post-offer open negotiations to consolidate the contractual term conditions. Following the evaluation, the principal might choose a preferred tenderer and a second preferred tender. The Tender Board, on the other hand, makes the final choices about awarding tenders to successful bidders during the tendering process.

Negotiation and Award of Contract

With the analysis on whether negotiation and award of contract were conducted properly, findings have shown that, 37% of the respondents strongly agreed that negotiation and award of contract were conducted properly, 30% agreed, and 17% not sure, 10% strongly disagreed and 7% of the respondents disagreed. These conclusions are consistent with those of McClelland (2006), who examined Scottish tendering in his report "Review of Public Procurement in Scotland: Report and Recommendations." The study examined the public sector procurement process in depth, evaluating the structure, organization, practice, and opportunities offered by tendering. Overall, the study's findings underscored the importance of using tendering to improve public procurement. These findings are consistent with (Mayavi, 2013),

who stated that once the tender was awarded; the Tender Board at CBE released monies to tenderness so that the tendering process could be completed. The tender board conducts a periodic tender evaluation after a set amount of time to ensure that the bought products and services were provided in the correct quantity, quality, and within the stipulated timeline. Furthermore, these findings are consistent with those of Eriksson and Laan (2007), who investigated the tendering procedures utilized by Tanzanian government entities. The tendering techniques described in this study are comparable to those used in other studies. Almost all processes included in TRA's tendering process were also judged to be effective, according to the report.

Table 4.1: Minimum and maximum responses made, mean and standard deviation on the Stipulated Procurement Procedures for Public Procurement Services in Zanzibar

SN	Statements	N	Minimum	Maximum	Mean	Std. Deviation
1	Selection of Suppliers to be invited to Tender	30	4.00	5.00	4.8913	.31470
2	Request For and Submission of Tenders	30	4.00	5.00	4.8261	.38322
3	Technical Evaluation	30	4.00	5.00	4.8043	.40109
4	Negotiation and Award of Contract	30	1.00	5.00	3.6739	.81797
5	Delivery, Inspections, and Payment	30	4.00	5.00	4.8250	.38220

Source: field data (2021)

The results in Table 4.1 show that the highest mean value was 4.8913 and the lowest was 3.6739 for the Stipulated Procurement Procedures for Public Procurement Services in Zanzibar. According to the current study, the highest mean value and lowest mean value of the Stipulated Procurement Procedures for Public Procurement Services in Zanzibar was 4.8913 and 3.6739 respectively. This means that all bank specific factors were agreed to be taken into account to avoid the loans from becoming non-performing. All government agencies are encouraged to use a good procurement procedure. An organization can achieve value for money by using an effective procurement procedure. However records show that procurement procedures were moving at a slower rate than the organization expectation.

According to the study's findings, Zanzibar Port Corporation's procurement procedures consist of five steps: tender advertisements, submissions, openings, assessments, and tender awards. Tenders are advertised in various publications by the Tender Board, and tenderers are encouraged to submit their tender documents within this time. Compiles a list of tenderers based on their qualifications during tender submissions. Qualified tenderers are then invited to submit tender documents demonstrating their capacity and capability to carry out the tender in accordance with the project's specifications. On receiving the query, tenderers send a response to the principal as to their interest in the project. During tender openings, the Tender Board invites all tenderers to the opening ceremony where tender documents are opened in the presence of all tenders.

The Tender Board evaluates each tender document against the defined requirements during the evaluation process. In addition, conducts an open post-offer discussion to finalize the contractual term

requirements. The principal can then choose the preferred tenderer and the next preferred tender after the assessment is completed. The Tender Board makes the ultimate decisions to award tenders to the winning bidders during tender awards. The analysis also discovered that the intended stages were completed correctly.

This study concludes that, delay to award contract to the responsive bidders; Lack of funds; Lack of awareness and knowledge about the PPA No 21 of 2004 and its regulation of 2005; together with its amendment of 2016 Intentionally High price charged by suppliers on goods and services; Deliveries of item requested by user department; Poor implementation of procurement plan and ICT and network related problems hinders procurement procedures. An overall, Zanzibar Port Corporation is effective in following tendering procedures.

Recommendations

From the findings of the study, the researcher would like to make the following recommendations.

- i. The government should place a priority on making procurement procedures transparent and accessible to important stakeholders.
- ii. The government should ensure that tenders are awarded and assessed in a transparent manner.
- iii. More capacity training for responsible personnel dealing with tenders on PPA rules and regulations is inevitable due to a lack of awareness and information regarding the PPA.
- iv. The Zanzibar Port Corporation should focus more on having a sufficient number of skilled workers who can effectively apply their knowledge.
- v. The study goes on to say that both buyers and suppliers should think about the benefits that can be obtained when procurement rules are followed completely and therefore all problems may be avoided.
- vi. To boost work performance, more complex tools are encouraged. The Zanzibar Port Corporation should hire more personnel with the requisite tendering skills, expertise, and experience. The government should also invest more funding to procurement procedures in order to improve their efficiency.

Area for Further Studies

It is believed that, this study has provided an insight into the important procurement procedures to the improvement of public procurement services in Zanzibar. However, there could be other studies focusing on factors affecting governance and accountability that need to be identified. Finally, it is hoped that this study would provide motivation to further research.

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