

# Contribution of Procurement Function on the Public Services Delivery System: The Case of Tanzania

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## Abstract

Procurement function is a facilitator and enabler of every value chain. This paper is a result of a study on the contribution of procurement function on the public services delivery systems and on the national socio-economic development. Specific foci were on: assessing the contribution of procurement function on the public services delivery systems; and assessing the contribution of procurement function on the attainment of the objectives of the national socio-economic development. The study used a survey of value-laden opinions. Localities surveyed were deliberately selected and sampled. The study covered one metropolis and business city (Dar es Salaam), three regional administrative cities (Arusha, Mbeya and Mwanza), one central government municipal (Dodoma), and one local municipal council (Morogoro). A deliberate sample of 150 case respondents was envisaged. However, the study covered 129 case respondents. Data management and analysis were qualitative in which thematic analysis, documentary reviews and content analysis were applied upon the specific study objectives. This paper provides value-laden opinions generated out of the case respondents' perceptions on the specific themes and issues related thereto. The results of assessment show a significant contribution of the procurement function on the Tanzania public services delivery systems and on the national socio-economic development agenda. The assessments show a positive marginal contribution of the procurement functional performance on the national economic development agenda by more than 70%.

**Keywords:** Procurement function, Public services, Delivery systems, Value for money, Socio-economic development

## 1. Introduction

A well-functioning public sector that delivers quality public services should be consistent with citizen preferences (Shah, 2005). In ensuring the qualified, quantified and specific public services in consistent with the people's preferences and satisfaction; procurement, as a function and profession should effectively, efficiently and economically facilitate and enable the delivery of public goods, works and services. Shah (2005) advocates, "public trust in public sector performance in delivering services consistent with citizen preferences has been considered weak in developing countries." It is a known phenomenon and generally agreed that, Tanzania is a developing country (Rugumyamheto, 2005). In accomplishing her socio-economic and socio-political wishes, Tanzania strives hard to ensure that [public] procurement function is effectively, efficiently and economically executed to delivers value for money in the public services delivery systems and the national socio-economic development agenda.

Procurement, as a function and profession, has a long history (Thai, 2001). It is evidenced that; it was written on a red clay tablet that, the earliest procurement order dates between 2800 and 2400 B.C (Thai, 2001). Other evidence of historical procurement includes the development of the silk trade between China and a Greek colony in the 800 B.C (Thai, 2001). These two oldest cerebrated empirical evidences justify that procurement could be thought to be an oldest function, practice, process and an important socio-economic activity since man has started living in communal and societal life. Procurement function is a process that facilitates the life of political system and their decision making machineries by enabling the acquisition of public goods, works, or services.

Procurement, in the public administration circles, is a policy tool (Caravella, 2009). Caravella (2009) has tried to level the ground for political influences on the [public] procurement processes and activities thereto. Generally speaking, [public] procurement is a political policy tool. Thus, [public] procurement processes and activities thereto are vividly manifested by the policy politics. Hence, [public] procurement is directly and indirectly influenced by the political will of the political elites in the political system and decision making machineries of the state. It is therefore emphasised that, the reason is that politicians and bureaucrats are typically observed to show greater interest in rent-seeking activities than in delivering services wanted by their citizens (Shah, 2005). To many laypersons and unscrupulous bureaucrats, this renders procurement function a process that does not add value instead it adds costs to the public services delivery systems.

In the post-independence era and in the 1990s, Tanzania public service was in pathetic situation. It was boated in terms of number of institutions and employees, there were no reliable systems and guidelines, (those in place were outmoded), and indiscipline in many facets was a common feature (Rugumyamheto, 2005). However, reforms in the public services delivery systems in the 2000s have enabled, inter alia: a strong focus on the services delivery systems; shifting primary implementation responsibility of the reforms to ministries; and emphasis on institutional pluralism in the delivery of public services. One of the fundamental reforms in the public services delivery systems was to enact the public

procurement legislation (Chapter 410) that led to Public Procurement Act, 2001. Enactment of the procurement legislation has made public procurement system to have regulatory and institutional frameworks for effective, efficient and economic governance and administration of the public procurement in the public sector procurements.

Despite the Government of Tanzania deliberate initiatives in ensuring that public services delivery systems are managed by considering the philosophy of value for money (VFM); there are misunderstandings and misconceptions amongst politicians, bureaucrats, public enterprise technocrats, and the general public on the strategic contribution of [public] procurement function in the public services delivery systems. This study therefore was carried out in order to provide value-laden opinion from the analysed and assessed perceptions and empirical evidences of the contribution of procurement function on the public services delivery systems and its overall impetus to the Tanzania socio-economic and socio-political development agenda.

## **2. Theoretical Debate**

Theoretically, procurement function in the public procurement system could be guided by institutional theory (see Tukamuhabwa, 2012 quoting Obanda, 2010). Traditionally, elements of public procurement are examined by institutional theory. In institutional theory, there are three institutional pillars, namely: regulatory; normative; and cultural-cognitive (Scott, 2004). The regulatory pillar emphasises the use of laws, rules and sanctions as enforcement mechanism, with expedience as means for compliance. The normative pillar refers to the norms and values with social obligation as the basis of compliance. The cultural cognitive pillar rests on the shared understanding (common values and beliefs). From this theory, as adopted in the public procurement system, all public procuring entities (PEs) working within the institutionalised public services delivery systems in Tanzania are governed and administered by the public procurement legislation (Chapter 410). The principle public procurement legislation is supported by the attendant regulations, guidelines, and tools that guide and direct the execution of the procurement and supply chain processes and activities within the institutionalised public services delivery systems.

The Scott's three institutional pillars further identify organisational culture, social influence, organisational incentives and enforcement which are the prerequisites of compliance with procurement law and procedures (Scott, 2004). The normative and cultural pillars on the other hand, are reflected through the organisational structures and cultures. Institutions consist of cognitive, normative, and regulative structures and activities that provide stability and meaning to social behaviour. Institutions are transported by various carriers (cultures, structures, and routines) and they operate at multiple levels of jurisdiction (Scott, 2004). These elements are the building blocks of institutional structures, and provide the concept of institutions. The three pillars of institutions would serve as the analytical framework for considering the key actors and institutions involved in the regulatory, institutional, systemic frameworks within the public services delivery systems in the Tanzania context.

### 3. Research Methodology

This study needed both, primary and secondary data. Primary data were collected through structured interviews, focus group discussions, and the Delphi in-depth interviews. Secondary data were obtained from published and unpublished official documents, legislations, and public reports from the macro, mezzo and micro public institutions that are within the public services delivery systems. Generally, the study used a survey of value-laden opinion design whereas localities surveyed were deliberately selected and sampled.

The study covered one metropolis and business city (Dar es Salaam), three regional administrative cities (Arusha, Mbeya and Mwanza), one central government municipal (Dodoma), and one local municipal council (Morogoro). A deliberate sample of 150 case respondents was envisaged. However, the study covered 129 (86%) case respondents for convenience due to the nature and complexity of the study. Whereupon 80 (62.02%) case respondents were interviewed from the [public] procurement functional areas, the socio-economic and socio-political spheres, the public and private community of suppliers, contractors and services providers. Fourteen (10.85%) respondents were interviewed through the Delphi in-depth interviews due to their expertise, knowledge, all-round understanding of the procurement (and supply chains management) in the Tanzania public services delivery systems. Twelve (9.30%) respondents used social media (mainly Facebook®) to provide their opinions on the interview questions that were posted on the researcher's Facebook platform (wall). Twenty-three (17.83%) respondents were covered in the micro, macro and small and medium enterprise (SMEs) businesses, and traditional and localised supply chains.

Data management and analysis were qualitative in which assessment was made upon the specific study objectives culminating the study scope. Thematic categories and issues related thereto were identified, described and discussed from the specific interview questions. The use of primary and secondary data sources and collection methods were aimed at triangulation in order to increase internal validity and reliability of data.

### 4. Results, Findings and Discussion

#### 4.1 Responses to the Interview Questions

The Interview Guide has ten structured questions that required case respondents to express their perceptions and provide value-laden opinions over the given set of specific interview questions. Whilst case respondents were responding to the specific interview questions, responses were recorded and thematic categories and issues related thereto were established therein for description and therefore discussion there for. The following paragraphs 4.1.1 to 4.1.10 clearly describe the thematic categories, the specific questions, the responses, and established themes and discussions thereto.

##### 4.1.1 Value of Procurement Function in the Public Services Delivery System

Question number one on this study was hinged on: *Does procurement function contribute any value in the public services delivery systems and the national socio-economic development agenda? How? Justify.* The overall response to the first part of the question was *yes*. All

(100%) interviewed case respondents have had signified their concern on the contribution of the procurement function in the public services delivery systems and the national socio-economic development.

Due to the nature of development activities and the drive towards using the budgeted resources, especially financial and some physical and human assets, case respondents have registered at least 65% contribution of the procurement function in creating value into the public value streams. Justification for these observations, according to the case respondents, is hinged on the essence of knowledge value, skilled value (technical, interpersonal, conceptual and communication), ethical compliance to the rule of the game in the procurement function, and inherent wisdom that is coupled with the skills in ensuring wisdom in doing the envisaged procurement functional activities – the essence of creating and adding value into the public services delivery systems and the national socio-economic development equation by using the effective, efficient and economic procurement function.

#### 4.1.2 Procurement Function Value Creation in the Public Services Delivery Systems

Question two stemmed on: *Does procurement function create value for money (VFM) in the public services delivery systems and the national socio-economic development input-process-output (IPO) model? How? Justify.* The socio-economic development IPO is a process oriented model that justifies the ends through the means. Responses obtained from all case respondents have assented *yes* to this question. That is, procurement function creates VFM in the public services delivery systems and the national socio-economic development IPO model (as depicted in Figure 4.1).

Whereas, the inputs needed into the model have to be effectively, efficiently and economically procured, supplied and put into the model for processing in order to obtain the needed quantified, qualified and specified (QQS) outputs for the envisaged outcomes and impacts. Therefore, the procurement (and supply chain management) functional activities for the envisaged inputs to be put into the model should ensure quantified inputs, qualified inputs and specified inputs are wisely procured in compliance with the VFM concept or total procurement cost optimisation principle. Especially, when we are dealing with public procurements or else optimised total procurement cost when were engaged in private sector operations respectively, optimisation of procurement function is crucial.

Justification for the said observations could be deduced through looking onto the procurement function logical model for the public services delivery systems and the national socio-economic development (see Figure 4.1). The model (Figure 4.1) needs quantified, qualified and specific inputs that need knowledge, skills and ethics in executing procurement function in order to add value into the process model. Whereas, the process has to be monitored and valued to ensure that inputs are compliant with the specific public services delivery systems and the socio-economic development processes as for the socio-economic development outputs and later to the outcomes and impacts therefor.

The outputs from the public services delivery systems and the socio-economic IPO model will only be feasible and compliant with the intended socio-development outcomes and

therefore impacts if at all we have the following procurement functional attributes:

1. Early involvement of the procurement function in the specification of procurements and supply chain requirement parameters in the public services delivery systems;
2. Balancing the supply chains in the last portion of the process to the output and therefore to the outcomes and later to the socio-economic impacts envisaged;
3. Effective and efficient procurement contracts management and administration thereto;
4. Candid follow-ups within and without the procurement and supply chains systems and their sub-systems;
5. Designing the socio-economic development processes and/or products in compliance with the needs of the people for the human development.

The outcome, for the specific public services delivery systems and the socio-economic development IPO model should be complaint with the customer satisfaction focus. Customer satisfaction, according to the interviewed case respondents, should be registered in terms of: right quantity; right quality (maintenance of quality); timely delivery (right time); and efficient customer response (ECR). Whereas, case respondents have registered their ultimate socio-economic development impact that is the ultimate resultant in the socio-economic development IPO model in terms of benefits of procurement (VFM) whereas the total cost of procurement (cost of ownership) is less as compared to the benefits of procurement and supply chain management functional activities accrued therein.

#### 4.1.3 Procurement Function versus Creation of National Wealth

Case respondents were asked this question: *Does procurement function creates nation's wealth? How?* All of case respondents have had a unanimous *yes* over this question. In an all-round scenario, as far as the creation of the national wealth is concerned, professionals in the procurement functional realms do create and add significant amount of value into the national wealth equation. In specific terms, procurement functional managers have registered that:

1. They use their procurement (and supply chains management) professionalism to create and add wealth by effecting their knowledge, technical skills, interpersonal skills, conceptual skills, communication skills, and inherent wisdom into the procurement (and supply chains management) functional activities and processes therein.
2. They create and add income through engagement into production and/or productive activities within the public services delivery systems.
3. They effectively, efficiently and economically procure in facilitating the operations, manufacturing and the public services delivery systems.
4. They have adopted the quality assurance and the total quality management (TQM) in the operations of the public sector enterprises in ensuring value is embedded into the

public services delivery systems and therefore into the total socio-economic development equation.

5. They enable the public supply chains to register significant values in the value streams and by so doing they accelerate the stimulation of economic growth through enterprise-wide as observed in the enterprise map of Tanzania (see Sutton and Olomi, 2012).

#### 4.1.4 Creating Employment through Procurement Function

Here, the fourth question was: *Does procurement function create employment? How?* All (100%) case respondents into this question have registered their responses with emphatic *yes*. It was also contended by some of case respondents that, “procurement function is by itself a profession and it creates employment.” The procurement function is needed as a value adding profession in every sector of human life. Essentially, as respondents registered, “Procurement (and supply chains management) professionals and technicians are highly needed, by default and design, in the public services delivery systems and the various sectors of the socio-economic development in the public as well as the private sectors. The interviewed case respondents have added that, in specific terms, procurement function do the following in creating employment:

1. *Facilitate employment* – that is the internal drive of the professionalism and professionalization.
2. *Relationship builder* between employees (potential employable candidates) and employers in various public services delivery systems and the socio-economic development sectors.
3. *Link* – between employees (potential employable candidates), employers, and the stakeholders (such as professional bodies, training institutions and others who have direct interest into the [public] procurement function).

#### 4.1.5 Procurement Professionals Self-employment

Here, it was asked that: *Are procurement (and supply chains management) professionals and technicians employing themselves? How? Justify.* The case respondents who attempted this question have varied opinions on the issue of the procurement (and supply chains management) professionals and technicians employing themselves. Around 71% of case respondents have had an opinion that procurement (and supply chains management) professionals are not employing themselves. Whereas 20% of the respondents have an observation that, procurement (and supply chains management) professionals and technicians are employing themselves, whilst two (9%) have an opinion that, professionals and technicians in the procurement (and supply chains management) profession do somewhat employ themselves.

For those 71% who denied the self-employment of the procurement (and supply chains management) professionals have registered their concern on the envisaged failure due to: the lack of entrepreneurial skills; lack of business culture; inadequate professional skills on the

conceptual issues for the envisaged venture and opportunities basing on the available procurement (and supply chains management) opportunities in the real world. Those case respondents with opinion that either professionals and technicians do employ or somewhat employ themselves have asserted that, there are some consulting firms offering services in the procurement (and supply chains management) profession, some individual professionals and technician owning micro, small and medium enterprises (SMEs), and macro enterprises by using the inherent wisdom and/or acquired procurement (and supply chains management) professionalism. This facilitates the effective services within and without the public services delivery systems.

#### 4.1.6 Procurement Function as an Entrepreneurial Opportunity

Case respondents were asked that: *Could procurement (and supply chains management) professionals and technicians employ themselves through entrepreneurship? How? Justify.* The responses obtained from this question were of mixed feelings. About 28% of the case respondents registered that, the procurement (and supply chains management) professionals and technicians could employ themselves. However, 42% have an opinion that, “they have the potential of being able to employ themselves but they fail to take risks.” Where the remaining 30% has had an opinion that, “procurement (and supply chains management) professionals and technicians could not be able to employ themselves.”

For those who have an opinion that, professionals and technicians could employ themselves, have registered their observations on: using their professionalism to become professional buyers therefore buying for others (enterprise buying agents); becoming professional and/or technical suppliers or service providers; and offering procurement (and supply chains management) professional and technical services to the public and/or private enterprises in order to enhance effective, efficient and economic procurement and supply chain activities in the public services delivery systems.

However, those who have registered their concerns over the failure of the procurement (and supply chains management) professionals and technicians to employ themselves have commented the following concerns: lack of commitment to venture into self-employment; lack of entrepreneurial skills; lack of starter-up capital into entrepreneurship; and fear to accept and venture into risk taking endeavours normally distort the public services delivery systems and therefore result to customers of the government dissatisfaction over the public goods, works or services that support the effective functioning of the public services delivery systems.

Justification on these observations could be deduced on the number of procurement (and supply chains management) professionals and technicians who could be seen in the self-employment register to be dwindling between very low and low. Most of those who could have ventured into self-employment are usually corporate professionals and/or technicians who are doing enterprising business as part of their extra job activities. However, most of the professionals and technicians do depend on employed jobs (especially, the white collar jobs) in the public services delivery systemic institutions – the procuring entities (PEs). This, sometimes; cause ill-performance of the suppliers, contractors and service providers in



the buyer supplier continuum that facilitate the public services delivery systems.

#### 4.1.7 Procurement Profession Increased Demand

It was asked: *Does procurement, as a profession, increased demand has a proportionate impact (- or +) to the public services delivery systems and the socio-economic development agenda? How? Justify.* All (100%) case respondents have registered their response that, the procurement (and supply chains management) profession increased demand has a positive proportionate impact. However, case respondents have differed on the rate of increase. About 20% of case respondents have contended that the increased demand proportionate impact to the public services delivery systems and the national socio-economic development agenda is very high. Whilst on the other hand, 80% of case respondents have an opinion that the increased demand proportionate impact of the said procurement function is dwindling between low and medium respectively.

The 20% of case respondents registered their justification for their opinion that, “by now procurement (and supply chains management) profession is a cross-cutting function in all economic planning and strategic scenarios that is the essence of value creation into the public services delivery systems and therefore unto the national socio-economic development equation.” Whereas, 80% of case respondents who had registered their concern over low to medium rate of proportionate impact have opinion that: the procurement (and supply chains management) professionalism recognition is not fully embedded into the socio-economic planning culture and the execution of the socio-economic plans thereto; the legal frameworks do not provide concrete institutional frameworks sufficient to ensure full participation of procurement function into strategic planning and implementation based on the available financial and physical resources; the value created does not solely justify the use of the intended resources especially in the public procurements and public services delivery systems. However, private supply chains, especially in the manufacturing and services enterprises, do perform their best in ensuring that procurement function does the best of value in ensuring the optimisation of enterprise-wide resources allocation and utilisation in the services industry and marketing.

Justifications for these observations in the public sector is based on the reports of non-compliance with the value for money (VFM) principles to some of the high cost and complex public procurements and misuse of funds on micro and macro routine procurements in the public services delivery systems that accumulates to huge sums of public funds that are lost each year as observed in the Controller and Auditor General (CAG) audit reports. Irrespective of the medium performance of the public enterprises; private enterprises have registered the best of performances as are elucidated and described in Sutton and Olomi (2012).

#### 4.1.8 Significance of Procurement Value in the Public Services Delivery Systems

Here, it was asked that: *Could you name and explain what significant value the procurement function has to the public services delivery systems and the Tanzania socio-economic development spectrum in general?* In this question, respondents were asked to explain

significant value the procurement function has to the public services delivery systems and to the Tanzania socio-economic development. All (100%) case respondents have registered significant value in terms of the envisaged national socio-economic development agenda. The case respondents registered the following procurement value significance:

1. Improved and/or increased social infrastructure that include education, health, water and sanitation facilities;
2. Improved and/or increased economic infrastructures that include roads, logistics, buildings, and bridges; and
3. Improved and increased political infrastructures that include the legal frameworks and ethical performance (monitoring and evaluation) of the procurement (and supply chains management) in the public services delivery systems – the essence of having the new public procurement legislation (Act No. 7, 2011 as amended) with the incorporation of the public private partnerships (PPPs) as a method of procurement to improve the public services delivery systems in the local government authorities (LGAs).

#### 4.1.9 Procurement Function: A Profession for Self-help

It was asked that: *Has procurement function, as a profession in action, helped individuals in their socio-economic endeavours? How? Justify.* This question was almost personalized. However, most of the case respondents had attempted to answer it and registered their positivity on it. All assessed opinions provided by the case respondents have indicated that, the procurement (and supply chains management) profession has helped them in their socio-economic endeavours. Here, the responses were emphatic *yes* with clear elaborations of what this profession has done to the case respondents.

All (100%) case respondents have recognised that, this functional profession (procurement) has given them employment opportunities into various public services delivery systems and the socio-economic development sectors at large. The employment in various sectors in the socio-economic development activities provides the employed professionals (employed individuals) with income(s) that are the sources of value contribution towards individual, community, society and the nation at large. Individuals are served with the disposable incomes that are used by individual professionals to enhance their standard of living plus their dependants through the purchasing power. At the national level, individual professionals are paying various taxes (such a *pay-as-you-earn* [PAYE] and *value added tax* [VAT]) that contribute to the national revenue.

Apart from employment and incomes, these individual professionals obtain the societal value through procurement (and supply chains management) professionalism in the envisaged public services delivery systems. All case respondents have registered the essence of *networking, social recognition, social respect, and professional status* they are enjoying due to the procurement (and supply chains management) professionalism and professionalization. These elements, they (case respondents) have registered further that, they become of value within the society despite of the ill-perception for some of the laymen who think of the

professional thieving context in the procurement (and supply chains management) functional processes and activities therein.

#### 4.1.10 Procurement Functional Status in the Tanzania Socio-economic Development

The last question in the series of the interview questions was on: *What is the status of procurement (and supply chains management) function against the Tanzania socio-economic development agenda? (Low, Medium, High)? What is your justification on this?* To know the status of the procurement function was very crucial for this study. Therefore, the interview has been set with a specific question pointing on the status of the procurement function. Out of the total case respondents who registered their responses, the following were the results.

Table 4.1: Status of procurement function in the socio-economic development

S/N	P&SCM Professionalism Status	Frequency of Respondents	Percentage
1	HIGH	30	23.26
2	MEDIUM	75	58.14
3	LOW	24	18.60
	<b>TOTAL</b>	<b>129</b>	<b>100.00</b>

**Source:** Research interview data and analysis thereto

Evidently, Table 4.1 indicates that: 23.26% of case respondents have registered their opinion that, procurement (and supply chains management) functional status in the socio-economic development is **high** whilst 58.14% of case respondents registered **medium** status and 18.60% of case respondents has registered below medium and above low status (which is considered to be **low** as there was no such a scaling). For the 23.26% of the respondents who registered the high status of procurement (and supply chains management) functional status against the public services delivery systems and the socio-economic development agenda has the following as their justifications:

- Above 75 per cent of procurement (and supply chains management) function do play a key role in the public services delivery systems and the socio-economic development endeavours;
- The procurement (and supply chains management) function is the essence of the need in public and private enterprising;
- The existence of legal and institutional frameworks in public and private businesses enterprising; and
- The socio-economic recognition of the envisaged professionalism as recognised by the national and international procurement (and supply chains management)


professional platforms.

However, for the 58.14% of the case respondents who registered the medium status of the procurement (and supply chains management) functional status against the public services delivery systems and the socio-economic development has had the following justifications:

- There is a sense of status quo ante (doing business as usual) amongst some of the decision makers in both public political [decision making] systems;
- The procurement function is not given its due weight to some enterprises (low profiling) in the public services delivery systems and the socio-economic development perspectives;
- Slow increasing societal procurement (and supply chains management) functional and professional recognitions;
- Existing legal and institutional frameworks that do not fully capture the essence of the envisaged procurement (and supply chains management) professionalism in the public sector management;
- Some corporate executives do not give the procurement (and supply chains management) function and profession its fully strategic importance despite of its role in creating enterprise-wide value in the public services delivery systems;
- Employment of non-professionals (profession encroachments) into the procurement (and supply chains management) function and the profession as a whole;
- The potential suppliers, contractors and consultants are not fully involved and/or covered under the public procurement legislation save for the procurement processes;
- Marginalization of the [public] procurement function from the public sector supply chain management activities as if the two are separate functions not joined end-to-end; and
- In most of the private enterprises, as it was before the advent of PPA, 2004 (compare with PPA, 2011 and 2016) in the public sector procurement, procurement (and supply chains management) function and its professionalism has been put under other departments and/or functions.

Whereupon, the 18.60% of the case respondents has contended the low (below medium and above low) due to the observed fact that at the private enterprises the procurement (and supply chains management) function is not given its due weight and/or strategic position in the organisation hierarchy (chart) as corporate and strategic functional tool

Figure 4.1: The procurement functional logic for the public services delivery systems

Functional Utility Levels	Public Services Delivery Systemic Levels	Inputs	Processes	Outputs	Outcomes	Impacts
<b>HIGH</b> 	Nation (combination of societies in a territory/locality)	<ul style="list-style-type: none"> <li>Professionalism (Knowledge + Skills + Ethics)</li> <li>Resources</li> <li>National Economic Development Agenda</li> <li>Regulatory Frameworks</li> <li>Institutional Frameworks</li> </ul>	<ul style="list-style-type: none"> <li>Public procurement</li> <li>Public services delivery systems functioning</li> <li>Procurement and public services delivery systems planning and budgeting</li> </ul>	<ul style="list-style-type: none"> <li>Value for money (VFM) procurements and public supply chains</li> <li>Effective and efficient public services delivery systems</li> <li>Enhanced socio-economic growth</li> </ul>	<ul style="list-style-type: none"> <li>Needed contribution of the procurement (and supply chains management) function and professionalism in the public services delivery systems and the socio-economic development agenda</li> <li>VFM in public procurements and public supply chains</li> </ul>	<ul style="list-style-type: none"> <li>Economic development (measured against the improvement in the public services delivery systems and the socio-economic development infrastructures)</li> <li>Availability of economic and social utilities to the people</li> </ul>
	Society (communities living together)	<ul style="list-style-type: none"> <li>Professionalism (Knowledge + Skills + Ethics)</li> <li>Resources</li> <li>Commitments</li> <li>Societal and political willingness</li> <li>Societal laws and/or by-laws</li> </ul>	<ul style="list-style-type: none"> <li>Socio-economic procurement</li> <li>Procurement planning and budgeting</li> <li>Supply chain analysis, design and planning</li> <li>Collaborated P&amp;SCM</li> </ul>	<ul style="list-style-type: none"> <li>Procurement professionalization</li> <li>VFM procurements and</li> <li>Effective and efficient resource allocations</li> </ul>	<ul style="list-style-type: none"> <li>Effective procurement</li> <li>Efficient procurement</li> <li>Economic procurement</li> <li>Value added procurement and public supply chain streams</li> </ul>	<ul style="list-style-type: none"> <li>Socio-economic development (benefits of procurement and supply value streams are greater than the total cost of procurement and supply chain management operations)</li> <li>Improved socio-economic infrastructures</li> </ul>

<b>Functional Utility Levels</b>	<b>Public Services Delivery Systemic Levels</b>	<b>Inputs</b>	<b>Processes</b>	<b>Outputs</b>	<b>Outcomes</b>	<b>Impacts</b>
<b>LOW</b>			<ul style="list-style-type: none"> <li>▪ Monitoring and evaluation (M&amp;E)</li> </ul>			
	Community (persons living in an area)	<ul style="list-style-type: none"> <li>▪ Community resources (human capital, physical resources – tools and equipment, and people)</li> <li>▪ Management (traditional/local and conventional)</li> <li>▪ Communal morals, attitudes and values</li> </ul>	<ul style="list-style-type: none"> <li>▪ Planning for resources</li> <li>▪ Resource allocation (budgeting)</li> <li>▪ Monitoring and evaluation (M&amp;E)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Balanced procurement (and supply chains management) function</li> <li>▪ VFM (effective, efficient, and economic procurement and public supply streams)</li> <li>▪ Effective monitoring and evaluation [M&amp;E]</li> <li>▪ Savings (resource utilisation)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Value for money [VFM]</li> <li>▪ Socio-economic benefits</li> <li>▪ Profits</li> <li>▪ Community satisfactions</li> <li>▪ Customer of the Government satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>▪ Community socio-economic development</li> <li>▪ Community procurement participation</li> <li>▪ Integrated/collaborated supply chains</li> </ul>
	Individual (one person and/or a household)	<ul style="list-style-type: none"> <li>▪ Knowledge and skills (including local/traditional know-how, skills and ethics)</li> <li>▪ Purchasing power</li> </ul>	<ul style="list-style-type: none"> <li>▪ Procurement (purchasing) process (activities)</li> <li>▪ Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>▪ Individual satisfactions for wants/needs</li> <li>▪ Effective and efficient use of individual</li> </ul>	<ul style="list-style-type: none"> <li>▪ Enhanced customer satisfaction</li> <li>▪ Effective and efficient use of scarce resources</li> <li>▪ Effective and</li> </ul>	<ul style="list-style-type: none"> <li>▪ Individual socio-economic development (growth)</li> <li>▪ Savings</li> <li>▪ Qualified, quantified and specific public goods to suit the needs of the people in the</li> </ul>

<b>Functional Utility Levels</b>	<b>Public Services Delivery Systemic Levels</b>	<b>Inputs</b>	<b>Processes</b>	<b>Outputs</b>	<b>Outcomes</b>	<b>Impacts</b>
		(disposable income for spending) <ul style="list-style-type: none"> <li>▪ Individual willingness for decent life standards</li> </ul>	functioning <ul style="list-style-type: none"> <li>▪ Buying and supply chains planning</li> <li>▪ Monitoring the implementations of the individual buying and supply plans</li> </ul>	disposable incomes <ul style="list-style-type: none"> <li>▪ Decent living standards</li> </ul>	efficient use of individual disposable incomes	right time at the right time <ul style="list-style-type: none"> <li>▪ Improved living standards</li> </ul>

**Source:** Analysis and assessment of the responses of the interviewed respondents.

#### 4.2 Secondary Data Analysis and Assessment

The study reviewed a number of documents that were available and accessible for public scrutiny. Essentially, the envisaged documents for documentary reviews, analysis and assessment included but not limited to the given list in Table 4.2.

Table 4.2: List of reviewed documents for review, analysis and assessment

S/N	Title of Document	Source/Author/Publisher	Nature of Review and Assessment
1	An Enterprise Map of Tanzania	Sutton, J and Olomi, D (2012), International Growth Centre (IGC), London, United Kingdom	Procurement functional contribution on enterprise wide development through effective and efficient supply chain management and marketing distribution
2	Country Procurement Assessment Review Report, 2003	PPRA, Dar es Salaam	Procurement function on the public services delivery systems and the socio-economic development
3	Public Procurement Regulatory Authority (PPRA) Audit Reports for selected years (2007/2008 to 2015/2016)	PPRA, Dar es Salaam	Procurement function on the public services delivery systems and on the socio-economic development
4	Controller and Auditor General (CAG) Audit Reports for selected years (2007/2008 to 2015/2016)	CAG, National Audit Office, Dar es Salaam	Procurement function on the public services delivery systems and on the socio-economic development
5	National Public Procurement Policy, 2012 (first draft)	Public Procurement Policy Division (PPPD), Ministry of Finance and Economic Affairs [MOFEA], Dar es Salaam	Procurement (and supply chains management) professionalism, professionalization and procurement policy on the public services delivery



			systems and on the socio-economic development
6	Act No. 23, 2007 establishing Procurement and Supplies Professionals and Technicians Board (PSPTB)	PSPTB, Government Printer, Dar es Salaam	Procurement (and supply chains management) professionalism and professionalization
7	PSPTB Strategic Plan	PSPTB, Dar es Salaam	Procurement (and supply chains management) professionalism and professionalization
8	PSPTB Professional Syllabi, 2004	PSPTB, Dar es Salaam	Procurement (and supply chains management) professionalism and professionalization
9	National Five Year Development Plan (2011/12-2016/17)	Planning Commission, Ministry of Finance, Dar es Salaam	Procurement functional contribution on the public services delivery systems and on the socio-economic development agenda
10	Act No. 9, 1981 establishing National Board for Materials Management (NBMM)	NBMM, Government Printer, Dar es Salaam	Procurement (and supply chains management) professionalism and professionalization
11	National Strategy for Growth and Reduction of Poverty (NSGRP II) Report, 2010	MOFEA, Dar es Salaam	Procurement functional contribution on the public services delivery systems and in the socio-economic development agenda

**Source:** Various, 2003 to 2014 (inclusive).

#### *4.3 Procurement Function in the Tanzania Socio-economic Policy Context*

According to the National Strategy for Growth and Reduction of Poverty (NSGRP I)

2005/2006 to 2009/2010, the commitment to accelerate economic growth and fight poverty has been consistently implemented through a series of strategies and plans ranging from sector specific strategies to multi-sector strategies (Ministry of Finance and economic Affairs [MOFEA], 2010). The Government adopted results and the Millennium Development Goals (MDGs) based strategy, the NSGRP I in order to sustain and scale up achievements as well as address the challenges to socio-economic development (growth) and poverty reduction agenda. The adoption of a results-based strategy, as per the NSGRP I, brought forth a number of prerequisites in its implementation. These included, among others:

- Recognition of cross-sector contribution to outcomes and inter-sector linkages and synergies;
- Emphasis on mainstreaming cross cutting issues;
- Integration of the MDGs into cluster strategies;
- Adoption of a five-year implementation period to give ample time to implementation and monitoring;
- Greater role of private sector, economic growth and good governance; and
- Recognition of the need to address vulnerability, human rights and social protection issues.

Thus, according to MOFEA (2010), the NSRGP I broadened the content given the enlarged view of poverty which better informs the policy mix and spells out a clear framework for effective stakeholder engagement particularly the private sector in the socio-economic growth. As such, the design of NSRGP II has been informed by this paradigm change. Though NSRGP II builds on the predecessor strategy, it is oriented more towards growth and enhancement of productivity, with greater alignment of the interventions towards wealth creation as a way out of poverty. This orientation thus opens space for reorientation of subsequent medium term strategies (MOFEA, 2010).

In essence, the procurement function, in a socio-economic development wide context (see Table 4.3), has been the facilitator and enabler of the public services delivery systems and the envisaged national wealth creation and the NSRGP I success stories in *education, health services, accessibility to clean and portable water supply, and infrastructural development*.

Table 4.3: Procurement function in the public services delivery systems and in the NSRGP I (2005/06 to 2009/10)

S/N	NSRGP Variables	NSRGP Indicators	Procurement (and Supply Chains Management) Functional Contribution
1	Increased/Improved access to education	<ul style="list-style-type: none"> <li>▪ 2,171 new schools were built in between 2005 and 2010.</li> <li>▪ Increased enrolment from 524,325 (2005) to 1,638,669 (2010).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Effective and efficient procurement and community participation in procurement.</li> <li>▪ Value for money procurement and supply of construction material supplies and associated services.</li> </ul>
2	Increased/Improved access to health services	<ul style="list-style-type: none"> <li>▪ Construction of new health facilities – dispensaries, health centres and hospitals.</li> <li>▪ Improved supply of drugs and medical supplies.</li> <li>▪ Improved health referral systems.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Effective and efficient procurement of health facilities and infrastructures (works).</li> <li>▪ Value for money procurement and supply of drugs and medical supplies.</li> <li>▪ Effective procurement of human resources in the health sector.</li> <li>▪ Effective and efficient cold supply chain logistics.</li> </ul>
3	Increased/Improved accessibility of clean and portable water supply	<ul style="list-style-type: none"> <li>▪ Increased water supply from 53.7% (2005) to 60.1% (2010) in rural areas.</li> <li>▪ Increased water supply from 74% (2005) to 84% (2010) in urban areas.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Effective and efficient procurement and supply of water supply equipment and facilities.</li> <li>▪ Value for money procurement of water projects in local authorities (LGAs) and</li> </ul>

S/N	NSRGP Variables	NSRGP Indicators	Procurement (and Supply Chains Management) Functional Contribution
			urban water authorities and sewerage (UWASA).
4	Increased/Improved infrastructure (especially roads)	<ul style="list-style-type: none"> <li>▪ 86,472 km of which 6,700 is paved.</li> <li>▪ Over 2,200 km of roads have been upgraded from gravel to tarmac within 2005 to 2010.</li> <li>▪ Regional urban roads constructed or repaired.</li> <li>▪ Roads and bridges maintained and made passable throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Effective and efficient procurement of construction works and maintenance.</li> <li>▪ Value for money procurement and supply of construction and maintenance material supplies, equipment and facilities.</li> </ul>

**Source:** Slightly adapted and adopted from the Ministry of Finance and Economic Affairs [MOFEA], 2010; with annotated review, analysis and assessment.

Table 4.3 evidently describes the essence of the procurement (and supply chains management) function, processes and activities thereto in facilitating and enabling the effective, efficient and economy of the public services delivery system. Effective, efficient and economic [public] procurement function has enabled the acquisition of 2,171 new schools between 2005 and 2010 therefore increased enrolment by 212.53% from 2005 to 2010. By this observation, procurement function has improved access to education for Tanzanian children who are at the school enrolment age.

Procurement function has facilitated and enabled the increased and/or improved access to health services through the: construction of new health facilities (dispensaries, health centres and hospitals); improved supply of drugs and medical supplies; and the improved health referral systems. Water supply has been increased from 53.7% (2005) to 60.1% (2010) in rural areas whereas in urban areas the increase is from 74% (2005) to 84% (2010). These shifts in clean and accessible water supply have been facilitated by effective, efficient and economic procurement functional processes and activities therein.

The effective, efficient and economic procurement of construction works and maintenance, and value for money procurement and supply of construction and maintenance material supplies, equipment and facilities have increased and/or improved infrastructure (especially roads). The increased and improved roads have facilitated and enabled the logistics of essential public goods and services in the Tanzania public services delivery systems. Essentially, Tanzanians in rural and urban Tanzania are enjoying the average public services that are fundamentally facilitated and/or enabled by the procurement function.

## **5. Conclusion**

Virtually, the [public] procurement and supply chains management system is streamlined by an effective, efficient, and economic procurement functional processes and activities thereto. Generally speaking, by far and at large; regardless of the misconception and/or misunderstanding from the lay people on the nature of the profession and function thereof, procurement function shall remain to be the facilitator and enabler of the public services delivery systems. Procurement function is the bridge and link that connects the supply and demand sides of the public services delivery systems. It links the customers of the government and the public services delivery systems in the government enterprise wide.

Procurement function is a strategic, political and policy tool that is enshrined in a political system. In order to serve the customer of the government, a political system need an effective, efficient and economic [public] procurement system that is transparent, accountable, and adheres to the principles of integrity. An effective public services delivery system requires procurement function that is fair and responds to the needs of the customers of the government and the community of suppliers, contractors and services providers. Basically, procurement function in the public services delivery system acts as a glue that binds the processes and activities within an integrated public services delivery systems. In facilitating quantified, qualified, and specific public goods, works and services in the public services delivery systems; procurement, as function, should be executed by considering value for money (VFM) philosophy.

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