



ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
DEPARTMENT OF PROJECT MANAGEMENT

ASSESSMENT OF PRACTICES OF PROJECT PROCUREMENT
MANAGEMENT IN ETHIO TELECOM: THE CASE OF 4G
NETWORK EXPANSION PROJECT

BY
NEBIL MUZEYIN

JUNE 2021
ADDIS ABABA, ETHIOPIA

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**A RESEARCH PROJECT WORK SUBMITTED TO ADDIS ABABA
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BY
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DECLARATION

I, the undersigned, claim that the project entitled “Assessment of Practices of Project Procurement Management in Ethio Telecom: The Case of 4G Network Expansion Project” is my original work and has not been provided for a degree in this university or any other university and that all sources of material used for the project have been duly acknowledged.

By: Nebil Muzeyin

Signature: _____

Date: _____

ENDORSEMENT

This is to verify that Mr. Nebil Muzeyin has carried out this project work entitled “Assessment of Practices of Project Procurement Management in Ethio Telecom: The Case of 4G Network Expansion Project” under my supervision. This work is original and appropriate for the submission in partial fulfillment of the requirement for the award of Master of Arts Degree in Project Management.

Advisor: Mengistu Bogale (PhD)

Signature: _____

Date: _____

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ABSTRACT

The goal of this study is to assess the practices of project procurement management in Ethio telecom specifically on the 4G network expansion project. In order to address the study a descriptive research design was utilized as with both quantitative and qualitative approaches were employed. The data collection tools were questionnaires and interview. The data gathered through questionnaire had a sample size of 34 who were directly involved in the project. The response rate was 100%. Semi-structured Interview was conducted with three managers working at the sourcing and Operations Program Management Office (OPMO) department. The data gathered from the questionnaire was analyzed quantitatively using percentage and descriptive analysis; mean and standard deviation were performed. The data gathered from the interview has been analyzed qualitatively. The findings of the study revealed that project procurement requesting unit staffs lack the awareness on the sourcing and procurement process and procedures of the company, as the company has failed to provide formal regular training on project procurement management. Scope and specifications made in the planning were not clear enough and detailed. Concerned stakeholders were not involved in the planning process. Pre meeting or bidder conference was not administered with suppliers prior to submittal of bid or proposal. Regular review is not performed to assess procurement performance progress of suppliers. For the most part, the result of the study affirmed that project procurement management practice is realized to some degree however there is a gap between the theory of project procurement management and the real practices. Thus, planning should be given due consideration, and regular training must be provided on project procurement and contract administration related issues to all concerned staffs of the company.

Key words: Project Procurement Management, planning, conduct, and control procurement

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

The Project Management Institute (PMI, 2017), define project management as “the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements.” Organizations cannot execute projects successfully and efficiently unless a robust and comprehensive project management approach is identified. According to PMI (2017), there are ten project management knowledge areas, project procurement management is one of these knowledge areas, which incorporates the processes important to purchase or acquire products, services, or results needed from outside the project team. As per PMI (2017) project procurement management processes include: Plan procurement management, Conduct procurements and Control procurements.

According to PMI (2017), Project Procurement Management consists of the procedures important to buy or secure products, services, or results wanted from outside the project team. The company may be either the buyer or seller of the products, services, or results of a project. Project Procurement Management additionally incorporates controlling any contract issued by an external organization (the purchaser) that is gaining deliverables from the project from the performing organization (the vendor), and administering contractual duties placed on the project team by the contract.

Project procurement management incorporates the procedures important to buy or acquire products and services. Procurement management includes the contract management issued by an outside organization (Buyer) or issued by the performing organization to an outside organization (sub contract management) and change control procedures needed to create and oversee contracts or purchase orders issued by authorized project team members (Yimam, 2011).

According to Musanzikwe (2013), Procurement accounts for a significant amount of total spending in most firms, and it must be managed properly to achieve maximum value. As a result, good project procurement management can greatly contribute to meeting the project's cost, schedule, and quality objectives.

Ethio telecom is one of the dominant telecom industries in Africa having a vision to become world class provider of telecom service. Since telecommunication is one of the prime support services needed for rapid growth and modernization of various sectors of the economy as well as for attracting investment, creating market opportunities, enhancing competitiveness and boosting regional economic integration, the Ethiopian government has made huge investments to improve service quality, coverage and institutional capacity in the telecom sector (NBE, 2017). Since the company is responsible for such country wide contribution through its huge investments, it's important to assess the practice of project procurement of the company.

1.2. Background of the Organization

According to the company profile booklet, Emperor Menelik II introduced Telecommunication service in Ethiopia in 1894 through the telephone line constructed from Addis Ababa to Harar. Its name changed many times due to different reasons, it was called Imperial Board of Telecommunications of Ethiopia (IBTE), Ethiopian Telecommunication Services (ETS), Ethiopian Telecommunications Authority (ETA), and Ethiopian Telecommunications Corporation (ETC). In 2010 by regulation No 197/2010 Ethio-Telecom (ET) was born as public enterprise. Ethio telecom is the only telecom service provider to the whole nation for voice (fixed and mobile), internet & data.

The vision of the company states that it wants “to become a world-class provider of telecom services”. And its mission is “to provide world class, modern and high quality telecom services accessible to all citizens thereby to support the multifaceted development of the country to the highest level”.

From this ambition, Ethio telecom was born to bring a drastic change in the improvement of the telecom sector to help the development of the country. To this end, the current Sourcing and Facilities Division (SFD) is one of the main divisions in the company. SFD has three

departments under it, Sourcing, Facilities and Fleet, and Supply Chain and logistics departments. Sourcing Department is in charge of all the sourcing and procurement activities of the whole organization. All user divisions requesting units submit their respective project procurement need plans, and the sourcing unit will prepare annual sourcing plan considering the companies sourcing strategy centrally.

The company's Program Management Division is in charge of managing the project management methodologies, skills, and tools across the organization. Its main purpose is to meet all of the project's goals and objectives while staying within the project's predetermined constraints. It also aims to optimize the allocation and integration of inputs required to fulfill predetermined goals. There are two types of projects identified by the Program Management division called Hardware Projects that include infrastructural expansion assigned to Network division of the company and the Software Projects, which is assigned to the Information System division.

Ethio Telecom had awarded the 4G network expansion project contract to Huawei in Addis Ababa and is currently being implemented. 4G/LTE Advanced mobile service provides reliable connection thereby offering customers exceptional speed to download or upload large-sized files, high-definition (HD) multimedia, live streaming and video conferencing in real-time.

1.3. Statement of the Problem

Procurement includes the entire process of procuring goods and services. As indicated by Waters (2004), it starts when an organization has recognized a need and determined on its procurement requirement. Procurement proceeds through the cycles of risk appraisal, looking for and assessing elective arrangements, contract grant, conveyance of and payment for the property as well as administrations and, where pertinent, the nonstop management of a contract as well as the consideration of alternatives associated with the contract. Procurement additionally stretches out to the final removal of property at the end of its useful life (Waters, 2004).

Any project that lacks an effective project management principle, methodology, or approach is certain to fail. The poor performance of projects in developing nations has been linked to a number of reasons. Generally, factor such as government policies, insufficient funds, withdrawal by donors, shortage of foreign exchange, inappropriate contract conditions, political priorities, poverty, socio-cultural conditions, corruption, low institutional and human capacity, and occurrence of unexpected events such as war and drought (Yimam, 2011).

According to Kirai et al. (2016), Procurement is the operational hub of execution in each company, and it necessitates the adoption and implementation of a strict system. Numerous procurement activities experience the ill effects of disregard, absence of appropriate course, week co-ordination, bureaucracy, absence of open contest and transparency, differing degrees of corruption and not having a trained and qualified procurement experts who are competent to perform and administer the procurement process in a professional, timely and cost effective manner. Week project procurement in Ethiopia resulted from insufficient planning, shortage of funds, and timely inaccuracy of large procurement (Karlsson, 2011).

Academic research were conducted on Ethio Telecom that covers areas such as supply chain management, sourcing staff perception, foreign purchase practice, and supplier performance management but there are very few studies on project procurement management of the company. It is therefore not clear from literature whether the same conclusions can be made to projects of Ethio telecom. This study will build on previous work by conducting a holistic analysis that considers more aspects, challenges, and practices in order to properly assess the company's project procurement management approach. This research is critical in advancing a more complete and comprehensive understanding of the practices.

The researcher as an employee of the company noticed and comprehended the following concerns based on preliminary discussions with staff members of the sourcing department who assist in the project's procurement. Despite the existence of a procurement manual, the scope/specification of the project procurement plan submitted by the requesting unit was not adequately specified. End users of the project result were not involved, and lack of deep knowledge regarding the project from requesting unit team who involve in the technical and

commercial evaluation of the procurement of the project results in delayed project delivery, cost increase and poor specification. Regardless of the fact that such issues are common at the organization, only a few proper studies have been undertaken in order to improve the performance of the project procurement management process. Therefore, this study will help in filling the gap between the existing practices of project procurement management in Ethio Telecom by synthesizing with the theoretical perspective of the project procurement management knowledge area.

1.4. Research Questions

This study seeks to answer the following questions:

1. What does the procurement-planning look like for the project?
2. What practices are being followed in conducting procurement for the project?
3. What does the contract administration practice of the project looks like?
4. What are the challenges hindering Ethio Telecom from implementing effective project procurement management?

1.5. Objectives of the Study

The general objective of the study is to assess the practices of project procurement management in Ethio telecom. Under this objective, the study addressed the following specific objectives:

- To examine the project procurement planning practice.
- To assess the practice in conducting procurement for the project.
- To assess contract administration practice of the project.
- To investigate the challenges hindering Ethio telecom in implementing effective project procurement management.

1.6. Significance of the Study

This study will help in understanding the project procurement management concept while reviewing an actual project. It will give an insight how the theoretical and practical project procurement management work on a project and how it can be a lesson learned for other similar projects. Findings and recommendations of the study will guide the studied company

to maximize the contribution of its sourcing and program management functions to meet projects objective. The findings may be of great use to the academia, especially those who may wish to carry out further research on project procurement.

1.7. Scope of the Study

The study focused on Ethio Telecom's project procurement management practices and challenges by considering a single project, 4G network expansion project in Addis Ababa . Ethio telecom has more than twelve divisions in its organizational structure and these entire divisions launch various own projects at different sites for different purposes at different times. The research focus on the 4G network expansion project as its documents are less confidential and due to best utilize available time, resource constraints, willingness of respondents and sample data availability.

Due to geographical constraint the research area was limited to Addis Ababa city; however, the output of the study will be equally significant to all other regions of the company. The study merely focused on the sourcing departments function with respect to one of the project management knowledge areas, which is project procurement management. When compared to the long aged telecom service history of Ethiopia, only limited numbers of studies were undertaken up to now in relation to project procurement. This study will contribute to the knowledge on project procurement management in Ethio telecom.

1.8. Limitation of the Study

This study's findings do not represent the entire project's outcome; rather, they focus just on the procurement management process. This study did not look into other knowledge areas or project components. Documents that were important for the researcher but confidential to the company were not allowed for detail review but only for eye screening on some permitted study points. Such materials include cost related documents, project charter, and some project activity plans, process and procedure templates. In addition, the research design employed is descriptive design, certain degree of subjectivity can be found.

1.9. Organization of the Study

The study was organized in five chapters. Chapter one deals with introduction part containing background of the study, background of the organization, statement of the problem, objectives of the study, research questions, significance of the study, scope of the study, limitation of the study, definition of terms and organization of the paper. The second chapter focused on literature review about the subject matter. The third chapter presents the methodology employed for the study; it includes research design, population and sample of the study, type and source of data, procedure of data collection, method of data analysis and validity and ethical considerations made for the study. The fourth chapter includes the data analysis and presentation. The final chapter, chapter five, presents the summary of findings, conclusion drawn from the findings and recommendations suggested by the researcher.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Theoretical Review

2.1.1. Definition of Project

According to PMI (2017), a project is a temporary venture undertaken to make a completely unique product or service, or result. A unique product that might be a segment of another item, an upgrade or rectification to a product, or another end thing in itself; a unique service or an ability to conduct a service; a unique result, such as a result or document, and unique combination of one or more products, services, or results. The term temporary in the definition shows that project has a defined beginning and end time.

While, Fleming, (2003) characterizes a project as a special kind of activity. It includes something that is both extraordinary and significant and consequently requires uncommon consideration. It additionally incorporates limits with different activities to define its scope, and a beginning, middle, and end, as well as objectives whose completion signals the end.

According to Kerzner (2013), a project can be any arrangement of tasks that has a particular goal and must be finished within specific details, have specific start and end dates, have financial constraints, use human and non-human resources and have versatility. Similarly, Wysocki (2014), define project as, a series of distinct, complicated, and interconnected tasks with a single aim or purpose that must be performed on schedule, on budget, and according to specifications.

2.1.2. Definition of Project Management

Project management is the process of properly managing all parts of a project from its inception to its completion utilizing structured and scientific methodologies. Wysocki (2014), define project management as “an organized common-sense approach that utilizes the appropriate client involvement in order to meet sponsor needs and deliver expected incremental business value”.

As identified in PMI (2012), Project management entails and is carried out by a total of five process groups: initiating, planning, executing, monitoring, controlling, and closing. Roberts and Wallace (2004), likewise depicts that project management deals with the life cycle of the project: planning and controlling the project from start to finish. It's all about determining on a project's different success and failure criteria, then structuring and executing it as a single entity to ensure that all of the success criteria are met.

According to Solish and Semanik (2007), Project management is the field of identifying and attaining goals whilst advancing the utilization of assets (time, money, people, materials, energy, space, and so on.) throughout a project (a set of activities of limited time). According to Kerzner (2013), project management entails planning, organizing, directing, and controlling of organization assets for a relatively momentary goal that has been set to finish particular goals and objectives and is about meeting time, cost and quality targets, while working within the context of general strategic and tactical client requirements, by utilizing project resources.

Lock (2007) stated that the goal of project management is to anticipate or predict as many dangers and issues as possible, as well as to plan, organize, and control activities to ensure that projects are finished successfully despite all risks. This procedure should begin well before any resources are committed, and it must be followed until the work is completed.

2.1.3. Procurement and Project Procurement Management

2.1.3.1. Definition of Procurement

As stated by Edwards (2000), Procurement is the process of obtaining products and services from suppliers. It includes decisions about how much and when to purchase goods? and services, the actual purchasing of good and services, and the process of receiving the requested goods and services. The purchasing cycle guarantees that the right quantity and quality of equipment, materials, supplies, or services are purchased at the right price and from the right source. According to Morris & Pinto (2007), Procurement is further referred to in terms of a system, which involves examination of its inputs (e.g., requirements, information), outputs (e.g., purchase orders, received vendor items), transfer function (e.g., vendor selection, vendor management), and environment (e.g., corporation, industry).

Kerzner (2013), depicts that procurement can be defined as the acquirement or purchasing of goods or services. Procurement and contracting is a process in which two parties with opposing goals interact on a certain market sector. Kerzner also mentioned that taking advantage of quantity discounts, reducing cash flow issues, and finding out excellent suppliers are all examples of good procurement practices that can boost organizational profitability.

Procurement is a critical activity since it is the method in which the business attracts and contracts high-quality services. This is critical since good procurement leads to good suppliers, which leads to greater execution and profitability (Roberts and Wallace, 2004).

2.1.3.2. Definition of Project Procurement Management

According to Heagney (2012), project procurement management involves choosing what has to be procured, sending requests for bids or proposals, selecting suppliers, administering contracts, and closing them when the job is completed.

Among the 10 knowledge areas of project management project procurement management is one that covers the procedures for acquiring products, services, or outcomes from sources other than the project team. Another definition of project procurement management is the procedures controlling and administering contracts and acquisition orders from sources outside to the project organization (Karlsson, 2011).

According to PMI (2017), Project Procurement Management refers to the procedures for acquiring products, services, or results from sources other than the project team. The management and control processes required in producing and administering agreements such as contracts, purchase orders, memorandums of agreements or internal service level agreements are incorporated in project procurement management.

Project procurement differs from operational procurement in that it is a set of procurement activities carried out during the course of a project's execution. As a result, project procurement management includes the establishment of bond with external suppliers for goods and services required to complete the project. Richardson (2015), Procurement management represents the processes involved in the acquisition of a defined set of goods and/or services from a third party for use in various project activities. This can happen for a

variety of reasons. One obvious reason is that the purchasing organization is not technically capable of producing the required goods, may lack the necessary talent, and may not choose to invest the time and effort required to develop that competence. In other cases, deciding whether to make or buy is an issue of trade-off.

2.1.4. Project Procurement Management Processes

Any organization's procurement process has processes and procedures that improve internal customer response while reducing non-value-added tasks. An effective enterprise resource planning system that combines all elements of the business offers up-to-date information to the buyer, reducing administrative time spent looking for information. The time we can then be spent developing new sources of supply, building relationships with current suppliers, and research new ways to improve the procurement process (Edward 2000).

As per PMI (2017), Specific inputs and outputs link project management processes, and the result or outcome of one process may become the input to another process that is not necessarily in the same Process Group. Note that Process Groups are not the same as project phases; a project phase is a collection of logically related project activities that culminates in the completion of one or more deliverables. The phases in a life cycle can be described by a variety of attributes. Attributes may be measurable and unique to a specific phase.

Accordingly, Project Procurement Management processes comprise the following: (PMI 2017)

1. **Plan Procurement Management:** This is the process of documenting project procurement decisions, defining the methodology, and finding suitable vendors.
2. **Conduct Procurements:** it includes obtaining vendor answers, choosing a vendor, and granting a contract.
3. **Control Procurements:** The process of handling procurement relationships, monitoring contract performance, making needed changes and revisions as suitable, and concluding contracts.

Despite the fact that the processes are portrayed as separate processes with defined interfaces, PMI (2017) notes that in practice, procurement processes can be complex and interact with one another as well as processes from other knowledge areas.

2.1.4.1. Plan Procurement Management

Plan procurements is the process of documenting project procurement decisions, defining the methodology, and finding suitable vendors. It identifies project requirements that are best met by obtaining products, services, or results from sources other than the project organization (PMI, 2017). As stated by Kerzner (2009) preparing of procurement plan is the initial step that depicts what to procure, when, and how. In addition, Fleming (2003) procurement planning starts at the beginning of a new project includes the make or buy analysis, and finishes with a published Procurement Management Plan.

Fleming (2003) stated that project procurement planning starts at the outset of a new project, encompasses a make or buy assessment, and culminates in the publication of a Procurement Management Plan. The goal of the planning process is to provide answers to specific questions, these include; what to procure, when to procure, when will the item be needed, where will it be procured, when resources will be delivered, which procurement method is appropriate, what is the effect of untimely purchase on the user unit, which personnel will be involved in the procurement (Basheka, 2008).

As indicated by Solish and Semanic (2007) plan procurements process determines which project needs can be addressed outside the project organization by acquiring or purchasing products, services, or results and which project needs may be addressed by the project team in the course of project execution. The cornerstone of good supply management is sound procurement planning. Because planning is by its very nature a forward-looking activity, producing excellent plans allows the buyer to anticipate and handle possible supply limitations that may emerge in future tasks.

Below figure shows different inputs, tools & techniques used in the plan procurement management process and the output of the process.

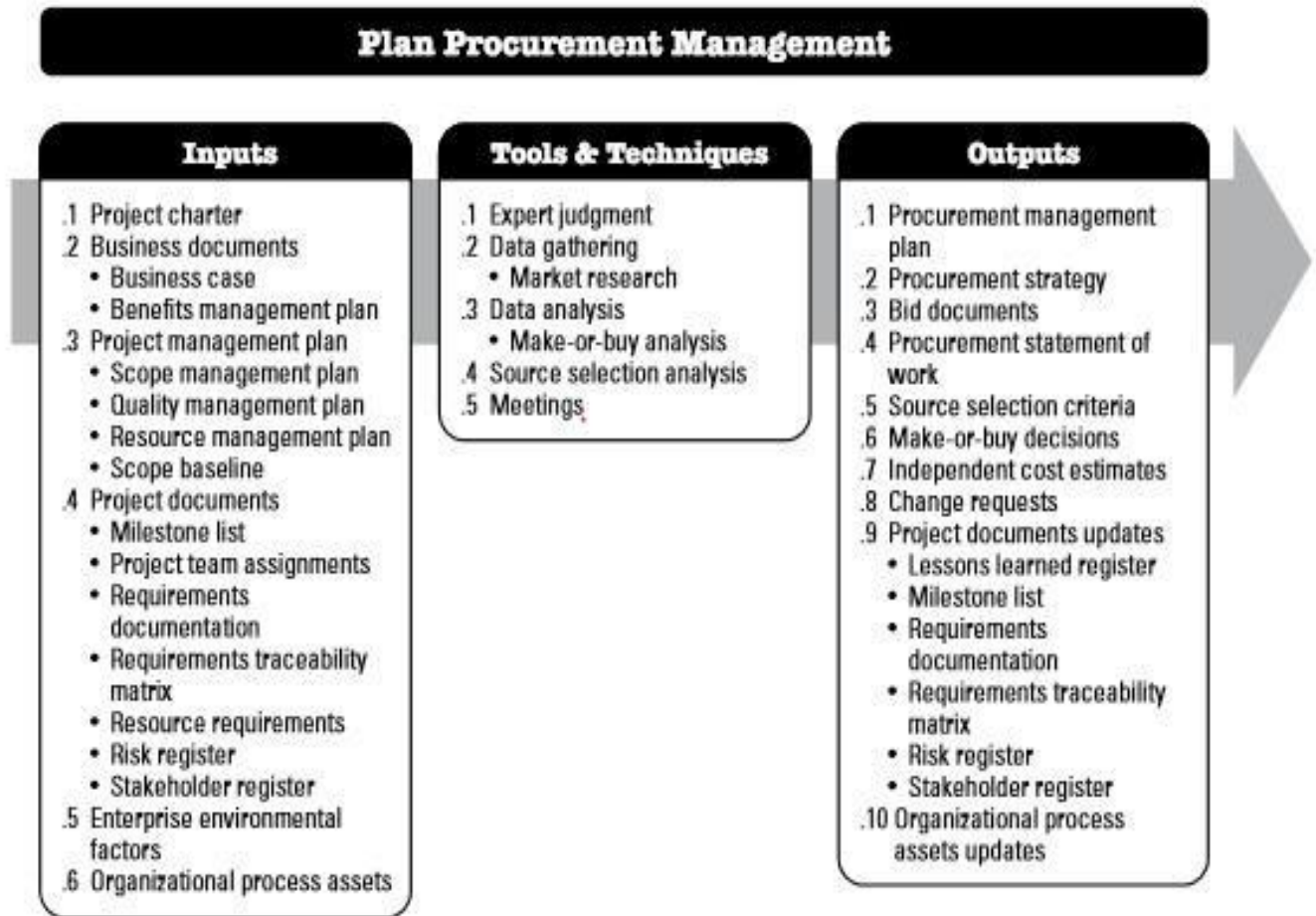


Figure 2.1. Plan procurement management: inputs, tools & techniques and outputs. PMI (2017)

As shown in the above figure, PMI (2017) detailed what inputs, tools and techniques can be used and the output of the plan procurement process could be the bid documents, procurement statement of work, independent cost estimates, make or buy decisions, source selection criteria, procurement strategy, procurement management plan .

Choosing the best relationships and contract procedures for each sort of purchased goods or outsourced service, preparing Request For Quotations and Request for Proposals, assessing partnership options, granting and signing contracts, overseeing quality, timely performance, contract changes, and closing contracts are all very significant considerations when developing a procurement plan (Dobler, 1997).

2.1.4.2. Conduct Procurements

Following the identification of requirements and the creation of a procurement plan, to start the procurement process, a requisition form for every item to be purchased is given to procurement. The process of conducting the procurement incorporates: assessing of specifications, confirming of qualified sources, assessment of prior performance of sources, examination of team or partnership agreements and creation of the solicitation package (Kerzner, 2013).

As per PMI (2017), conducting procurement focuses on gaining seller responses, choosing a seller, and granting a contract. The main advantage of this process is that it chooses a certified vendor and executes the legal agreement for delivery. The final outcomes of the procedure are the established agreements encompassing formal contracts. This procedure is repeated as necessary throughout the project.

As per PMI (2017), Conduct Procurements is the process of gaining seller responses, choosing a seller, and granting a contract. The main advantage of this process is that it identifies a fit vendor and executes the legal delivery arrangement. The process culminates in established agreements, encompassing formal contracts. This procedure is repeated as necessary throughout the project. The Conduct Procurements process' inputs, tools & procedures, and outputs are depicted in the figure below.

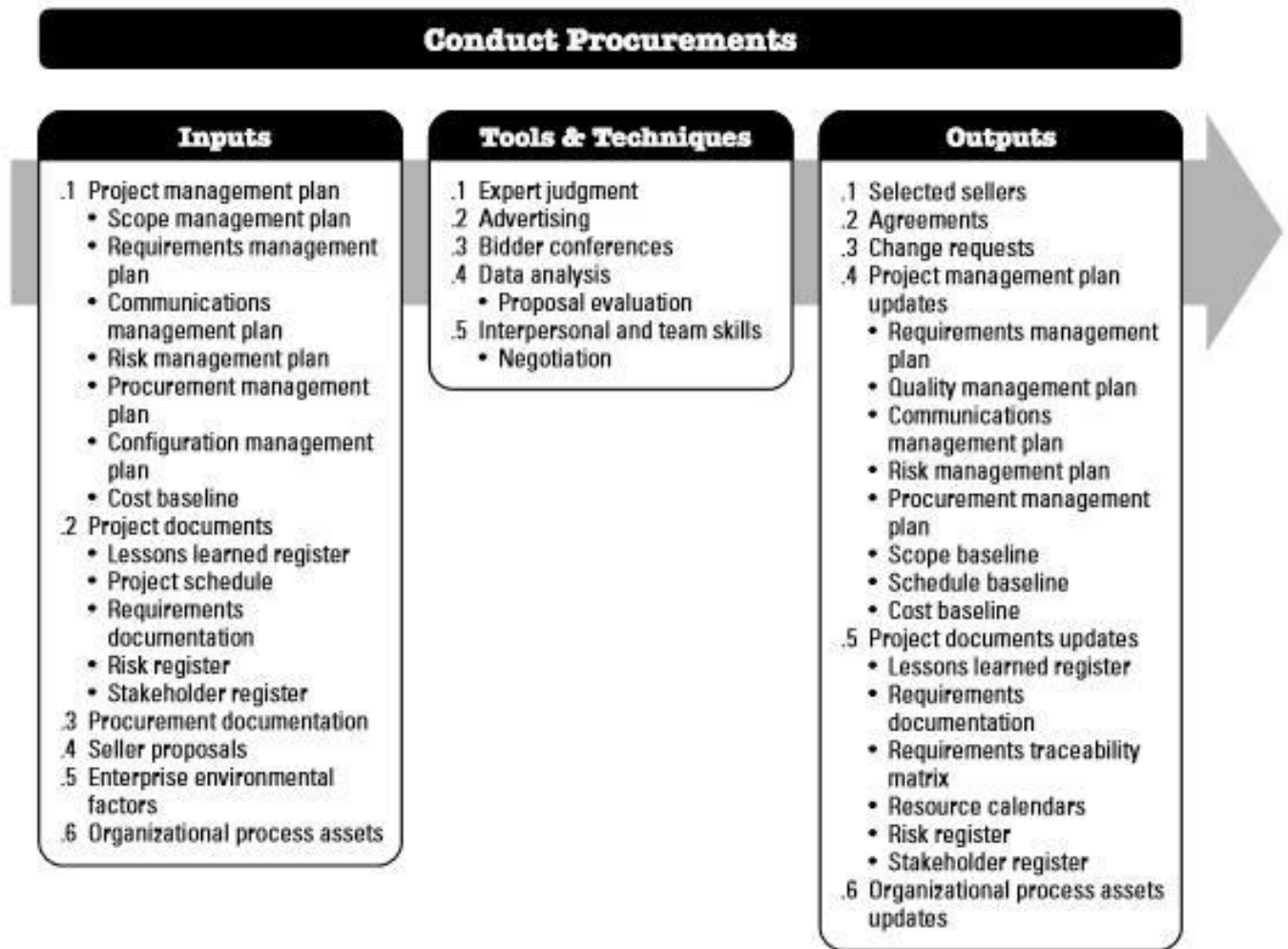


Figure 2.2. Conduct Procurement: inputs, tools & techniques and outputs, PMI (2017)

According to Richardson (2015), the key components of conducting procurement is making contract with respective suppliers to establish interest in bidding, receiving sellers' responses for statement of works and selecting preferred vendors, negotiating contracts and communicating status to various stakeholders and processes.

According PMI (2017), Bidding conferences, which are discussions with prospective vendors before the production of a proposal, are one of the methods and strategies utilized in conducting procurement, They are utilized to guarantee that all potential vendors have a clear, shared understanding of the procurement as all prospective suppliers must remain to have equivalent standing throughout the process. It is utilized so that no bidder has more information than others (Kerzner 2009).

2.1.4.3. Control Procurements

PMI (2017), control procurement is a means of ensuring that the sellers' performance is in accordance with the contract. PMI (2017) also referred it as controlling the procurement process entails managing procurement relationships, reviewing contract performance, and making contract revisions and corrections as needed. It manages seller performance, and manages changes to seller authorized scope (Fleming, 2003).

Control Procurements entails applying the proper project management processes to the contractual relationship and incorporating the results of these processes into the project's comprehensive management. Control Procurements often has a financial management component that entails tracking payments to vendors. Control Procurements examines and documents how efficiently a vendor is conducting or has conducted in agreement with the contract, and takes remedial action as appropriate (PMI, 2017).

The main advantage of this process is it assures that both the vendors' and buyers' execution fulfills procurement requirements in accordance with the legal agreement's conditions. Kerzner (2009), it is a process that ensures that the seller complies with the buyer's contractual terms and conditions in order to ensure that the end product is suitable.

As per PMI (2017), both the purchaser and the supplier administer the procurement contract for related purposes. Each party is responsible for ensuring that the other fulfills their contractual duties and that their legal rights are safeguarded. Managing communication among the many suppliers is a significant part of contract administration on larger projects with several providers.

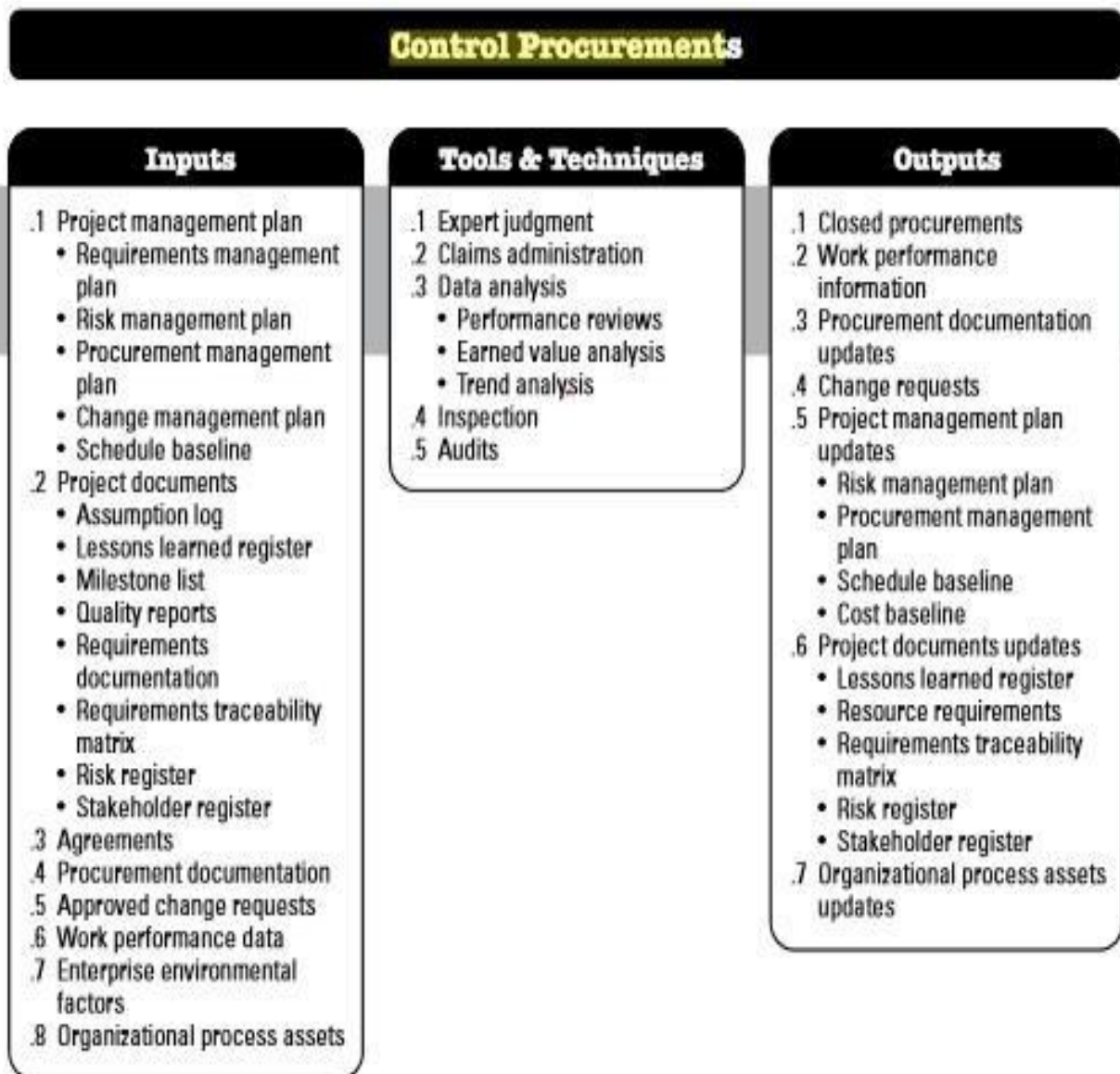


Figure 2.3. Control procurement process: inputs, tools & techniques and outputs, PMI (2017)

PMI (2017), Project management plans, agreements, work performance reports, procurement documentation, approved modification requests, and work performance data are all used as an input to control procurement. To produce an output on change requests, work performance information, inspections and audits, project management plan and updates, claims administration, organizational process assets updates and project documents updates using contract change control system, procurement performance reviews,

inspections and audits, performance reporting, records management system as techniques and tools, payment systems and records management system as techniques and tools.

PMI (2017), suggest the use of procurement performance techniques to evaluate sellers' progress in meeting project scope and quality targets while staying within budget and on schedule, as opposed to the contract. It may comprise a review of supplier-prepared documents, buyer inspections, and quality audits undertaken during the seller's work execution. These reviews could happen as part of a project status review that includes important suppliers. The project status review meeting can be used to assess the project's performance, particularly procurement performance, in comparison to the baseline plan (Fleming, 2003).

According to PMI (2017), one of the outputs of control procurements is 'closed procurements'. The purchaser, typically through its qualified procurement administrator, gives the supplier with formal written notice that the contract is completed. Requirements for formal procurement closure are typically stated in the terms and conditions of the contract and are incorporated in the procurement management plan. Usually, all deliverables must be delivered on schedule and in accordance with technical and quality specifications, with no outstanding claims or invoices, and all final payments made. Prior to closure, the project management team should approve all deliverables.

While closing a contract, the buyer certifies that all of the contract's tasks and conditions have been fulfilled and that the contract is completed (Richardson, 2015). Closing a contract is an often-overlooked duty; yet, there are crucial considerations to consider while closing a deal. There ought to be a clear understanding of when the project will be finished, what the project's end output will be, who will determine whether it has been delivered, and what will be done with any outstanding concerns (Wysocki, 2014).

2.1.5. Project Procurement Challenges

Project procurement is central to the delivery of project services and project performance (Dzuke & Naude, 2015). Various scholars identified the following key problems in the public procurement system: (1) weak and outdated procurement policies and processes, (2) a lack of procurement knowledge and skill, (3) embedded fraud and corruption. Ameyaw,

(2012) observed that lack of adequate skills and specialized expertise is a key challenge in project procurement, as procurement officers are obliged to deliver value for money and take strategic considerations.

Dza and Gapp, (2013) observed that the proper implementation of project procurement in Africa is hampered by political influence in the procurement process. In most African countries, politicians influence the tender process, insisting that particular contracts are awarded to individuals or companies of their choosing. In sub-Saharan Africa, Ndercaj and Ringwald, (2014) identified the following common problems affecting public sector procurement: (1) the lack of transparency, accountability and integrity in policy and process, (2) the lack of professional, managerial and leadership skills, (3) the lack of strategic recognition for the procurement function, (4) the continued failure to implement appropriate change and (5) weak and outdated procurement policies and processes.

In South Africa, despite the reform processes in project procurement challenges identified in the project procurement practices included non-compliance with legislation and policies related to procurement and supply chain management, as well as tender irregularities (Ambe & Weiss 2012). A study conducted by Musanzikwa, (2013) reveals the following challenges in project procurement: (1) delays in making decisions, (2) corruption and (3) the need to comply with standard project procurement procedures. These resulted in major delay in government projects.

According to Poddar, (2008) a national or international project the procurement challenges are two types: 1) Technical and 2) Non-Technical or Cultural. The technical and non-technical challenges are numerous. While the technical problems are comparable regardless of whether the project is national or international, the non-technical challenges require specific attention and leadership skills. Some of the important procurement challenges in projects are:

➤ Developing a realistic project schedule and budget:

This action necessitates an understanding of the client's culture. Some clients may be more tolerant than others, depending on the country and culture of the client. The majority of initiatives are timetable-driven, thus sticking to the timeline is critical.

- Implementing an appropriate quality assurance and quality control scheme:

To ensure that project performance is properly monitored, a thorough quality assurance and quality control procedure must be designed. To design a detailed quality assurance and quality control system, an open discussion among team members with the appropriate amount of involvement and feedback from the client is required.

- Selecting and managing the subcontractors and sub vendors:

Selecting subcontractors and negotiating subcontract languages should be done with caution. This necessitates a deep understanding of local government and non-government needs, as well as the demand for local content. When selecting a subcontractor, take into account their experience and ability to construct the equipment and deliver it on time.

- Determining the Environmental, Safety and Health issues & requirements and integrating them in well-planned project execution strategy:

The success of this activity is determined by technical expertise as well as the requirements of the local government and other non-governmental bodies in the area where the project is being implemented. For any international project, paying special attention to and considering these needs, as well as including them early in the project execution planning, is critical.

- Understanding the in-country rules, regulations and requirements

Even before preparing a project bid, let alone throughout the project implementation stage, a solid understanding of these is essential. Often, this becomes a catch-up effort, resulting in a great deal of difficulty in assimilation and implementation.

2.2. Empirical Review

Meseret (2016), conducted a study on Alemgena road maintenance project with a purpose of examining the project procurement management practice with respect to the plan, conduct and control project procurement management processes. Her findings were, lack of training on procurement management, lack of risk consideration and market research while planning procurement, no procurement pre-meeting held with suppliers, no confirmation of specifications and source of supply. No verification of suppliers with respect to technical

and financial capability and past experience. Poor monitoring and controlling with unclear process of closing procurement in the project management were also her findings.

Aliza, Stephen, & Bambang (2011), conducted a study on the significance of project governance framework in project procurement planning. The methodology applied for the study involved a comprehensive literature review on Malaysian public sectors experience. They recommend the importance of implementing project governance framework to ensure that the decision makers are answerable and accountable, and the decision-making is transparent to avoid any ethical issues arise. They suggest their recommendation on other developing countries to implement similar method to ensure transparency of the decision-making.

Since, project procurement management is the process of buying or acquiring products or services needed for the project from outside source, an efficient process of procurement and administration of material resources based on solid relationships with suppliers can aid the organization's efficacy and efficiency in satisfying the expectations of all stakeholders, resulting in long-term success (Carstea et. al, 2014).

Livhuwani, (2012) found that the project procurement in Limpopo was experiencing challenges of poor service delivery as a result of insufficient training, lack of experience and inadequate qualifications. This resulted in the failure of the project procurement personnel to interpret policies, acts, rules and regulations that govern project procurement management, and they tended to award contracts to unqualified service providers who bribed public officials via monetary reward.

Different researchers' studies in the domain of project procurement management mainly came up with a recommendation that will support one of the procurement management domains. The various studies did not cover every step of the project procurement procedure. As a result, this research will look into the entire process of project procurement management.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. Research Design

Depending on the objective of the study, a research can be exploratory, descriptive, analytical or predictive. Since, the purpose of this study is to examine the project procurement management practice at Ethio Telecom by considering a project intended to expand 4G-network, the researcher employed descriptive research design. According to Fox & Bayat (2007), Descriptive Research is aimed at casting light on current issues or problems through a process of data collection that enables them to describe the situation more completely than was possible without employing this method. Therefore, this study tried to describe the practices of project procurement management at Ethio Telecom, in the case of 4G-network expansion project.

3.2. Research Approach

Mixed research approach that involves collecting, analyzing and integrating quantitative and qualitative data is employed in this study; this helps to neutralize the weakness of both. Creswell (2009), mixed method research approach is an approach to inquiry that combines or associates both qualitative and quantitative forms of research.

3.3. Population and Sampling Technique

As stated on the scope of the study the research is focused on the Project Procurement practice of Ethio Telecom specifically on the 4G-network expansion project. The project is being undertaken on 127 sites out of which 102 are on air. There are a total of 365 employees working on the project out of the 365 staffs 8 of them are from the sourcing department which are directly responsible for the procurement of necessary goods and services for the project. Moreover, 26 staffs are from the Operations Program Management Office department, which are responsible for collecting the needs of the other departments working on the project, preparing purchase order requisition and send it to sourcing department.

The target population of this study were the staffs from the Sourcing and Operations Program Management Office departments working on the project totaling 34 staffs. This group was targeted because it can help to meet the objectives set for the study. Due to the fact that the target populations are small a census study was used for conducting the research.

3.4. Data Sources and Types

In order to get appropriate and reliable data, both primary and secondary sources of data were used. Interview and questionnaire were prepared and administered based on the review of related literature made on the subject of the study. For primary data source, semi-structured interview and closed ended questionnaire were used to get answers for the basic and specific questions related to the objective of the study. As a secondary data source, relevant documents like company sourcing policy and procedures and other related documents, books, articles, journals and online information were used to supplement the study.

3.5. Data Collection Procedures

In order to gather the data from relevant sources, both primary and secondary data collection instruments were used. Interview and questionnaire were prepared based on review of related literatures by focusing on the purpose of the study. After official permission was secured from concerned officials, interview and questionnaire was conducted in order to collect the required data from respondents. Closed ended questionnaire was administered to the 34 staffs from the sourcing and operations program management office departments. Semi-structured Interview was conducted with three individuals, one manager from sourcing department and two managers from the operations program management office department.

3.6. Data Analysis Techniques

The data was analyzed using both qualitative and quantitative data analysis methods. The data collected using closed ended questionnaire was analyzed mainly by using descriptive statistics. In analyzing the data the researcher will use statistical package for social sciences (SPSS) version 23.0 software packages. The descriptive statistics was utilized based on

percentage, frequency, mean and standard deviation tables to provide information on the research question variable. The semi-structured interview was analyzed by organizing common ideas of the respondents in to a generalized format. Accordingly the results of the analysis were interpreted.

3.7. Validity

The study utilized reliable and dependable sources such as published books, articles written by various authors in the area of the research. Close-ended questionnaires and semi-structured interviews were prepared and checked against the literature review as benchmark to create a valid and comparable response, in order to make sure that conclusion and recommendations are appropriate and meaningful.

3.8. Reliability

The internal consistency and reliability of Likert scale questionnaire was checked by using the Cronbach-Alpha test coefficient using SPSS software, which scored 0.897. Thus, the test result supports the presence of internal consistency among the items and is reliable and acceptable.

Reliability Statistics

Cronbach's Alpha	N of Items
.897	31

3.9. Ethical Consideration

In this project work preparation, Data collection was undertaken after permission has been obtained from the company. The researcher followed morally and ethically acceptable processes throughout the study. The data was collected with the complete consent of the participants. Since it could not be ethical to access some confidential documents of the company, the organization code of ethics was also considered. All the collected data are confidential for both the participants and the company. All documents which are referred throughout the research are fully acknowledged.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1. Introduction

The main objective of this study was to assess the project procurement management practice at Ethio Telecom. In this regard, this chapter presents the data collected from self-administered questionnaire from the sourcing and operations program management office department staffs working on the 4G network expansion project, interview with managers and provides a detailed analysis and interpretation of the data collected using both quantitative and qualitative approaches. SPSS statistics version 23.0 was used to perform statistical procedures to analyze the data. In addition the researcher reviewed different templates, validated process, policy and procedures which are used for project procurement management practice in the company in order to crosscheck and validate the findings by using multiple sources.

4.2. Response Rate

A total of 34 questionnaires, which consisted 31 close ended items were distributed to the target population of the study which were the staffs of sourcing and operations program management office departments working on the project. All respondents have finished and returned the questionnaires so the response rate was 100%. An interview has also been conducted with the sourcing and operations program management office departments' managers to have more insight concerning the practice of project procurement management.

4.3. General Information of Respondents

In this study, the researcher described respondents profile in terms of Gender, Age Bracket, Educational Background and years of experience with Ethio telecom. Respondents were asked to state their characteristics for purposes of classifying and comparing them thereafter. The study employed a closed-ended questionnaire to categorize respondent's profiles. The researcher analyzed the responses by using frequencies and percentage distributions as shown in the following Table 4.1.

Table 4.1. General information of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	21	61.8	61.8	61.8
	Female	13	38.2	38.2	100.0
	Total	34	100.0	100.0	
Age	25-35 Years	18	52.9	52.9	52.9
	36-45 Years	11	32.4	32.4	85.3
	Over 45 Years	5	14.7	14.7	100.0
	Total	34	100.0	100.0	
Educational level	BA/BSc Degree	23	67.6	67.6	67.6
	MA/MSc Degree	11	32.4	32.4	100.0
	Total	34	100.0	100.0	
Work Experience	Less than 3 Years	2	5.9	5.9	5.9
	3-6 Years	7	20.6	20.6	26.5
	7-10 Years	13	38.2	38.2	64.7
	Over 10 Years	12	35.3	35.3	100.0
	Total	34	100.0	100.0	

Source: Own Survey, 2021

The above table shows that 61.8% of the respondents are male and the remaining 38.2% are female. This shows that males are the majority respondents and gender of the respondents are not proportionate.

Item 2 of the table concerning age status shows that 52.9% of the target population are between the ages of 25 to 35 years, the remaining 32.4% and 14.7% are between the ages of 36 to 45 years respectively. This implies majority of the respondents are in the ages of 25 to 35 years.

Regarding the educational level of the respondents majority of the respondents (67.6%) of them have first degree and the remaining 32.4% have second degree. There was no respondent with educational qualification below first-degree or above Master's degree. Here,

we can say that all the respondents are educated and more than first-degree holders. This implies that the company has taken the advantage of utilizing its human resource for procurement management.

As can be seen in the above table, most of the respondents have been working in the company for 7 years and above. 38.2% of the respondents have work experience of 7 to 10 years. 35.3% of the respondents worked in the company for more than 10 years. 20.6% and 5.9% of the target population have work experience of 3 to 6 years and below 3 years respectively.

4.4. Analysis of the Findings of the Study

The questionnaire was developed using five levels Likert scale where 1 represents strongly disagree, 2 disagree, 3 neutral, 4 agree and 5 strongly agree. Descriptive statistics was used to analyze the 34 collected questionnaires; these questionnaires are inserted into SPSS version 23.0 to perform the descriptive analysis of the data, which enables to present the information in average and standard deviation. In order to get more insight on the matter, semi-structured interview was conducted with one manager from the sourcing department and two managers from operations program management office department.

4.4.1. General Awareness on Project Procurement Management

Table 4.2. Documented policies, rules and procedures on procurement management in the project.

There are documented policies, rules and procedures on procurement management in the project.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Disagree	5	14.7	14.7	3.176	.716
Neutral	19	55.9	70.6		
Agree	9	26.5	97.1		
Strongly Agree	1	2.9	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As it can be seen on the above table 26.5% and 2.9% of the respondents agree and strongly agree respectively that there are documented policies, rules and procedures on procurement management in the project. While 14.7% of them disagree with it and the rest 55.9% replied neutral. From secondary data source the researcher has found that there is a well-organized, documented, accessible, easy to understand, company-wide procurement policy to provide broader guidelines which Ethio telecom shall follow while procuring goods and services.

According to the interview, the procurement procedural manual is designed to govern all procurement activities of the organization. For the effective implementation of procedure managers at different level and different departments should integrate their effort with the procurement system and actively participate in supporting procurement managers and staff members.

Table 4.3. Awareness on project procurement management process

Project procurement requesting unit team is well aware of the procurement management Process.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Disagree	6	17.6	17.6	3.235	.923
Neutral	19	55.9	73.5		
Agree	4	11.8	85.3		
Strongly Agree	5	14.7	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As depicted on table 4.3, 11.8% and 14.7% of the respondents agree and strongly agree that the project procurement requesting unit team is well aware of the procurement management process. While 17.6% of disagree about the awareness, the remaining 55.9% were neutral. The result shows most of the respondents feel neutral or agrees about awareness of the process, this indicates that most of the respondents are not sure about the awareness regarding the procurement process among procurement requesting work unit staffs of the company.

Table 4.4. Regular training provided

Regular Training is being provided to procurement requesting units and sourcing staffs					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Disagree	18	52.9	52.9	2.676	.878
Neutral	11	32.4	85.3		
Agree	3	8.8	94.1		
Strongly Agree	2	5.9	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As shown on the above table majority of the respondents (52.9%) said regular training is not being provided to procurement requesting units and sourcing staffs. 8.8% and 5.9% of the respondents agree and strongly agree with the statement. The rest 32.4% replied neutral. This implies less attention was given to training and other secondary sources shoes there is usually impulsive coaching for new process and procurement systems rather than regular training. In general terms, the procurement staff and project team are not being trained enough regularly.

Table 4.5. Presence of formal project procurement management process

There is a standardized (formal) project procurement management process in place.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	1	2.9	2.9	3.147	.925
Disagree	5	14.7	17.6		
Neutral	20	58.8	76.5		
Agree	4	11.8	88.2		
Strongly Agree	4	11.8	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As indicated on table 4.5 23.6% of the respondents agree and strongly agree respectively about the presence of formal project procurement management process in place. 14.7% and

2.9% of them disagree and strongly disagree. While the rest 58.8% replied neutral. This implies cumulatively majority of the respondents agree that there is a standardized project procurement management process in place.

Table 4.6. Procedure for placing procurement request

There is a procedure that procurement requesting unit follows in placing their procurement request.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	1	2.9	2.9	3.029	1.167
Disagree	12	35.3	38.2		
Neutral	13	38.2	76.5		
Agree	1	2.9	79.4		
Strongly Agree	7	20.6	100.0		
Total	34	100.0			

Source: Own Survey, 2021

35.3% and 2.9% of the respondents disagree and strongly disagree respectively that there is a procedure that procurement requesting unit follows in placing their procurement request. While 2.9% and 20.6% of the respondents agree and strongly agree that there is a procedure. The rest 38.2% replied neutral.

The interviewee stated that “there is high degree of acceptance of material specification with amendment that means the purchasing department purchase what really the user department desire or want, most of the time the sourcing department doesn’t clearly understand about the materials specification because materials are telecommunication instruments, equipment’s which are very technically different in nature and technologically updated.” This provoke that there is a standard check list to be used by project team and or procurement team to request for goods and services required to accomplish a certain project objective.

4.4.2. Plan Procurement Management

Table 4.7. Procurement planning

Procurement planning is prepared for the project.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	1	2.9	2.9	3.441	.927
Disagree	5	14.7	17.6		
Neutral	8	23.5	41.2		
Agree	18	52.9	94.1		
Strongly Agree	2	5.9	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As stated on the above table 52.9% and 5.9% of the respondents agree and strongly agree respectively that procurement planning is prepared for the project. While 14.7% and 2.9% of the respondents replied disagree and strongly disagree respectively and the rest 26.5% replied neutral. This means large number of respondents concurs that procurement planning is prepared for project procurement.

This outcome was upheld by the interview responses. Achievement of objective in an organization is the result of aggregate effort with in the organization different level. All procurement activities throughout the project have to be directed and implemented according to the plan.

Table 4.8. Stakeholders involvement in the project procurement planning

All stakeholders were involved in the project procurement planning.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	2	5.9	5.9	2.824	.936
Disagree	11	32.4	38.2		
Neutral	13	38.2	76.5		
Agree	7	20.6	97.1		
Strongly Agree	1	2.9	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As it can be seen from the above table 32.4% and 5.9% of the respondents disagree and strongly disagree that all stakeholders were involved in the project procurement planning. 20.6% and 2.9% of them agree and strongly agree concerned stakeholders involvement. While 38.2% are neutral. This implies concerned stakeholders were not involved in the planning process of the project procurement.

As per the interview, at this dynamic environment communication one of the best resource of doing business like changing technology in model, dimension, size quality durability , capacity etc... all other concerning to the desired materials information can be gathered through effective channel communication with suppliers dealers & distribution channels. In this respect, sourcing department works in coordination & integration to all business units to survival and cost effectiveness of the organization.

Table 4.9. Scope of the project procurement

Clear and detail Scope/specification of project procurement is provided by the requesting unit.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	5	14.7	14.7	2.471	1.080
Disagree	16	47.1	61.8		
Neutral	7	20.6	82.4		
Agree	4	11.8	94.1		
Strongly Agree	2	5.9	100.0		
Total	34	100.0			

Source: Own Survey, 2021

47.1% and 14.7% of the respondents disagree and strongly disagree with the statement clear and detail Scope/specification of project procurement is provided by the requesting unit. While 11.8% and 5.9 % of them agree and strongly agree respectively. The remaining 20.6% replied neutral. This implies that scope/specification of the project was not properly provided by the requesting unit.

Table 4.10. Requirements document for the project procurement

Detailed requirements document was developed for the project procurement.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	2	5.9	5.9	2.971	.797
Disagree	5	14.7	20.6		
Neutral	19	55.9	76.5		
Agree	8	23.5	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As indicated in the above table 14.7% and 5.9% of the respondents disagree and strongly disagree respectively that detailed requirements document was developed for the project procurement. 23.5% responded agree and 55.9% were neutral. We can say that detailed requirements document was developed roughly while the project procurement planning was developed.

Table 4.11. Analysis of risk in the project procurement

Risks involved with the project procurement were analyzed.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	3	8.8	8.8	2.853	.989
Disagree	10	29.4	38.2		
Neutral	10	29.4	67.6		
Agree	11	32.4	100.0		
Total	34	100.0			

Source: Own Survey, 2021

From table 4.11 we can see that 29.4% and 8.8% of the target population replied disagree and strongly disagree respectively for the statement risks involved with the project procurement were analyzed. While 32.4% of the respondents replied agree and the rest 29.4% were neutral. We can conclude that risks involved with the project procurement were not analyzed properly.

Table 4.12. Development of project statement of work

Procurement statement of work was developed for each item to be procured for the project.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	3	8.8	8.8	2.676	1.121
Disagree	16	47.1	55.9		
Neutral	7	20.6	76.5		
Agree	5	14.7	91.2		
Strongly Agree	3	8.8	100.0		
Total	34	100.0			

Source: Own Survey, 2021

Table 4.12 depicts that 47.1% and 8.8% of the respondents disagree and strongly disagree respectively that procurement statement of work was developed for each item to be procured for the project. While 14.7% agree and 8.8% strongly agree with the statement. The rest 20.6% were neutral. This implies procurement statement of work was not prepared for each item to be procured for the project with the detail requirements document. There is activity definition to identify specific activities to be performed to produce the various project deliverables and sequencing them to support for the development of an achievable schedule. This helps for resource estimation to identify the type and quantity of resources require to accomplish each activities.

Table 4.13. Development of schedule of the project procurement

Schedule of the project procurement was developed well in advance.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Disagree	4	11.8	11.8	3.176	.758
Neutral	23	67.6	79.4		
Agree	4	11.8	91.2		
Strongly Agree	3	8.8	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As it can be seen from the above table 11.8% agree and 8.8% strongly agree that schedule of the project procurement was developed well in advance. 11.8% of the respondents responded disagree and 67.6% replied neutral. This indicates that project deliverable time to perform project activities are not considered properly. If resources required for each project activity are not timely procured, the project will be delayed. This infers the resource required for each project activity is not arranged early and not accessible for use ahead of starting project activity. This adversely influences the project conveyance time.

Table 4.14. Cost estimation for the project procurement

Cost estimation of the procurement need was made.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Disagree	3	8.8	8.8	3.794	1.008
Neutral	12	35.3	44.1		
Agree	8	23.5	67.6		
Strongly Agree	11	32.4	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As depicted on table 4.14, 23.4% agree and 32.4% strongly disagree cost estimation of the procurement need was made. Only 8.8% replied disagree while the rest 35.3% were neutral. After estimating the required resources, an approximation of the costs of the resources needed to complete the project activities is estimated.

According to project management process of the company and the interview conducted with the managers, activity cost must be estimated for all resources (people, services, material, hardware and software) that will charged to the project. This implies the cost estimation for the project procurement was made.

Table 4.15. Market research in procurement planning

Market research is performed and taken as an input for procurement planning.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Disagree	2	5.9	5.9	3.206	.592
Neutral	24	70.6	76.5		
Agree	7	20.6	97.1		
Strongly Agree	1	2.9	100.0		
Total	34	100.0			

Source: Own Survey, 2021

20.6% and 2.9% of the respondents agree and strongly agree that market research is performed and taken as an input for procurement planning. Only 5.9% of the respondents replied disagree and 70.6% were neutral.

Data obtained from interview also confirms that the company use market assessment as its sourcing policy element for its project and operational procurement. It helps to view supply and demand within the market, identify the power of suppliers, and level of competition. The company also collect information about suppliers and there products online on its official website. New suppliers both from local and foreign market register and update their information accordingly. The required information includes company profile, recent consecutive three years financial audit report, product or service portfolio, recommendation letter, and valid license and certificates.

Table 4.16. Process for acquiring goods and services

The process for acquiring the goods and services needed is well defined.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	3	8.8	8.8	3.088	1.026
Disagree	5	14.7	23.5		
Neutral	14	41.2	64.7		
Agree	10	29.4	94.1		
Strongly Agree	2	5.9	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As shown in the above table 29.4% agree and 5.9% strongly agree with the statement, the process for acquiring the goods and services needed is well defined. While 14.7% and 8.8% of the respondents replied disagree and strongly disagree. The rest 41.2% were neutral. According to secondary sources there is a well-organized and company-wide process on which required goods and services will be requested by the project team and acquired.

According to the interviews, the project procurement plan lists all the procurements needed for the project and what requirements are expected to be associated with them. A procurement plan helps monitor the whole procuring process. When the project is executed, the actual procurement can be compared against the procurement plan to track progress. If there are discrepancies, then the procurements can be adjusted to right those wrongs. The procurement management plan provides a framework to manage and coordinate a variety of procurement requirements, including hardware, software and services.

4.4.3. Conduct Procurement

Table 4.17. Standardized and formal procurement documents

Standardized and formal procurement documents are used to obtain bids or proposals.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Neutral	1	2.9	2.9	4.147	.436
Agree	27	79.4	82.4		
Strongly Agree	6	17.6	100.0		
Total	34	100.0			

Source: Own Survey, 2021

In response to the question, standardized and formal procurement documents are used to obtain bids or proposals. 79.4% of the respondents replied agree and 17.6% of them responded strongly agree. The rest 2.9% were neutral. Based on the secondary data reviewed, Ethio telecom has a procurement policy stating the standard procurement document that guides how to bid/propose from sellers. This implies standardized and formal procurement documents are used to obtain bids or proposals.

Table 4.18. Bidder conference

Bidder conference is administered before bid or proposal to assure all potential suppliers have clear and common understanding of the procurement.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	2	5.9	5.9	2.676	.843
Disagree	13	38.2	44.1		
Neutral	13	38.2	82.4		
Agree	6	17.6	100.0		
Total	34	100.0			

Source: Own Survey, 2021

Table 4.18 depicts that 38.2% disagree and 5.9% strongly disagree with the statement, bidder conference is administered before bid or proposal to assure all potential suppliers have clear and common understanding of the procurement. 17.6% of the respondents replied agree and the rest 38.2% replied neutral. The finding demonstrates marginally higher number of respondents disagreed that pre meeting is directed with prospective suppliers.

Such meeting is conducted to guarantee all potential vendors to have a clear and common understanding of the procurement both technical and contractual requirements. Ethio telecom has developed a strong long term contractual agreement with international suppliers of goods and services by which it can be relied in securing the 5R's, i.e., the right quality, right quantity, right sourcing, right price and right timing. However, it could not always be ensured in the real practice for it is not possible to recognize or ensure by almost all levels of decision makers and sometimes the suppliers provides the products on the specification with lesser quality.

Table 4.19. Specifications of items

Specifications of items to be procured are confirmed before supplier selection.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	1	2.9	2.9	2.559	.824
Disagree	18	52.9	55.9		
Neutral	11	32.4	88.2		
Agree	3	8.8	97.1		
Strongly Agree	1	2.9	100.0		
Total	34	100.0			

Source: Own Survey, 2021

The above table displays the responses of respondents for the question about specifications of items to be procured are confirmed before supplier selection. 52.9% and 2.9% of the respondents replied disagree and strongly disagree respectively. While 8.8% agree and 2.9% strongly agree with the question. The rest 32.4% responded neutral. It is obvious that, technical, type, quality, quantity, brand etc... should be specified before selecting any seller. The responses show that specifications of items are not confirmed before supplier selection.

According to the interview with the sourcing manager, the requesting or using department must be capable of clearly describing exactly the needs. Organization like Ethio telecom, whose major spending allocated for the purchase of high technological items should give due consideration in the preparation of material specification.

Table 4.20. Standardized bid or proposal evaluation technique

There is standardized bid or proposal evaluation technique.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	6	17.6	17.6	2.853	1.077
Disagree	4	11.8	29.4		
Neutral	13	38.2	67.6		
Agree	11	32.4	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As depicted on the above table 11.6% and 17.6% of the respondents disagree and strongly disagree respectively that, there is standardized bid or proposal evaluation technique. While 32.4% of the respondents agree with the statement, the rest 38.2% replied neutral. In line with this, the referred documents states that the procurement evaluation criteria should be defined at the planning stage of project procurement to ensure that the procurement meets the project requirement.

As per the interview, bids are posted on the official site of Ethio telecom for everyone to see with clear description of the requirements needed by the company.

Table 4.21. Predefined supplier selection criteria

There is a predefined supplier selection criterion.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	1	2.9	2.9	3.882	1.038
Disagree	3	8.8	11.8		
Neutral	5	14.7	26.5		
Agree	15	44.1	70.6		
Strongly Agree	10	29.4	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As shown on table 4.21, 44.1% agree and 29.4% strongly agree that, there is a predefined supplier selection criterion. While 8.8% and 2.9% disagree and strongly disagree respectively. The rest 14.7% replied neutral. The process justifies the need for evaluation criteria is that the suppliers can then be evaluated against the predefined evaluation criteria. The result indicates that predefined supplier selection criteria are recognized.

As per the interview the qualification of a provider is dictated by the capacity to perform the work such that meets project necessities and shows monetary steadiness. Capacity to perform the work incorporates the capacity to meet quality particulars and the project plan.

Table 4.22. Negotiation with supplier

Negotiation is made with supplier before signing the contract to attain mutual agreement.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Disagree	4	11.8	11.8	3.647	.981
Neutral	12	35.3	47.1		
Agree	10	29.4	76.5		
Strongly Agree	8	23.5	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As indicated on table 4.22, 29.4% and 23.5% of the respondents agree and strongly agree with the statement negotiation is made with vendor before signing the contract to attain mutual agreement. 11.8% of the respondents replied disagree and the rest 35.3% responded neutral. This result depicts higher number of the respondents are in agreement with making negotiation with supplier prior to signing contract.

As per the interview, the sourcing department will issue a request for proposal detailing the project needs. Suppliers respond to the request for proposal with proposals or bids, providing information such as cost, delivery time, and scheduling considerations.

4.4.4. Control Procurement

Table 4.23. Regular review of supplier's performance

Regular review is made to assess supplier's performance progress.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	12	35.3	35.3	2.059	.952
Disagree	10	29.4	64.7		
Neutral	10	29.4	94.1		
Agree	2	5.9	100.0		
Total	34	100.0			

Source: Own Survey, 2021

The above table displays the responses of respondents for the question about regular review is made to assess supplier's performance progress. 29.4% and 35.3% replied disagree and strongly disagree respectively. While only 5.9% of the respondents agree and the rest 29.4% were neutral. The result with mean value of 2.05 indicates majority of respondents did not agree with the question. This depicts there is restricted act of regular reviewing performance progress. The implication is that it creates difficulty: to measure the status, to guarantee execution is being done according to terms agreed upon and to confirm supplier discharge contract duty.

Table 4.24. Monitoring and controlling for procured goods

Monitoring and controlling is made for procured goods, to insure that they are delivered/executed as planned.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	3	8.8	8.8	2.824	.968
Disagree	10	29.4	38.2		
Neutral	11	32.4	70.6		
Agree	10	29.4	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As it can be seen from table 4.24, 29.4% and 8.8% of the respondents replied disagree and strongly disagree respectively that monitoring and controlling is made for procured goods, to insure that they are delivered/executed as planned. 29.4% replied agree and the rest 32.4% were neutral. According to the company supply chain management process, procured products are required to arrive at central or regional warehouse of the company for inspection. Expertise from Network Division and/or Information System Division of the company inspects the product and the warehouse team prepares inspection report for contract management team members.

The interviewed managers also confirms that for products which directly arrive at project sites are not subject to inspection by expertise and suppliers are not questioned if any defect is found. Based on the secondary data (project progress report) and interview data, most of the time, once the procurement takes place, few attentions is given to monitor and control

whether procured goods and services are delivered in time, quality, place, cost and other measurable criteria.

Table 4.25. Change request and management procedure

There is a predefined change request and management procedure to take appropriate corrections.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	4	11.8	11.8	2.794	.808
Disagree	2	5.9	17.6		
Neutral	26	76.5	94.1		
Agree	1	2.9	97.1		
Strongly Agree	1	2.9	100.0		
Total	34	100.0			

Source: Own Survey, 2021

In response to the question, there is a predefined change request and management procedure to take appropriate corrections. 5.9% disagree and 11.8% strongly disagree with it. 5.8% of the respondents replied agree and strongly agree. 76.5% were neutral.

As per the interview made the respondents they have stated that there is a room for amendment of contract depending on the project need. If there is a predefined change request and management procedure to take appropriate correction implies lack of clearly defined procedure. Unplanned and urgent purchase requisitions is one of the main challenges of the company that creates unnecessary work load and crowding on the project unit and the procurement staff, compromising the efficiency of the procurement process.

Table 4.26. Procurement relationship

Procurement relationship with end users, suppliers and other stakeholders are managed properly.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	7	20.6	20.6	2.441	.894
Disagree	7	20.6	41.2		
Neutral	18	52.9	94.1		
Agree	2	5.9	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As indicated in the above table 41.2% of the respondents disagree and strongly disagree with the statement, procurement relationship with end users, suppliers and other stakeholders are managed properly. While only 5.9% replied agree, 52.9% were neutral. This implies concerned stakeholders were not managed properly in the process of the project procurement.

Table 4.27. Contract administration

Contract administration is done to assure supplier's performance matches contractual requirements.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	2	5.9	5.9	2.735	.666
Disagree	7	20.6	26.5		
Neutral	23	67.6	94.1		
Agree	2	5.9	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As it can be seen from the above table, 20.6% and 5.9% disagree and strongly disagree respectively that contract administration is done to assure supplier's performance matches contractual requirements. While only 5.9% agree, the rest 67.6% replied neutral.

The outcome of the interview held with the procurement manager demonstrated that performance of vendor is observed and guarantee its execution in accordance with the procurement contractual agreement.

Table 4.28. Amendment of procurement contract

Procurement contract can be changed whenever by mutual consent and negotiation between purchaser and supplier.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	3	8.8	8.8	2.294	.871
Disagree	22	64.7	73.5		
Neutral	7	20.6	94.1		
Strongly Agree	2	5.9	100.0		
Total	34	100.0			

Source: Own Survey, 2021

Table 4.28 shows that 64.7% and 8.8% of the respondents disagree and strongly disagree that procurement contract can be changed whenever by mutual consent and negotiation between purchaser and supplier. 5.9% strongly agree with the statement and 20.6% were neutral. As per the interview made the respondents they have stated that there is a room for amendment of contract depending on the project need. But in practice it happens rarely.

Table 4.29. Change request on requirement

There is frequent change request on requirement and contract amendment.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Disagree	4	11.8	11.8	3.618	.817
Neutral	8	23.5	35.3		
Agree	19	55.9	91.2		
Strongly Agree	3	8.8	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As depicted on table 4.29 respondents that agree and strongly agree with the statement, there is frequent change request on requirement and contract amendment are 55.9% and 8.8% respectively. While 11.8% replied disagree, the rest 23.5% were neutral. Majority of the respondents believe that there is frequent change request on requirement and contract amendment.

The interviewee said that “if there are amendments in specification, delivery date, and additional purchase on that purchase order number and any disaster happened that out of control both sides there will be an extension of letter of credit.” So we can say that there is tolerance for changes on requirement.

Table 4.30. Claims and disputes

Claims and disputes related to the contract are addressed properly.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	2	5.9	5.9	2.824	.968
Disagree	10	29.4	35.3		
Neutral	17	50.0	85.3		
Agree	2	5.9	91.2		
Strongly Agree	3	8.8	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As it can be seen from the above table 29.4% disagree and 5.9% strongly disagree with the statement claims and disputes related to the contract are addressed properly. 5.9% and 8.8% of the respondents agree and strongly agree. The rest 50% replied neutral. This indicates that most of the respondents are neutral to this point. According secondary sources there are some contractors that do not perform to project expectations. The organization will allude to the agreement and use it to endeavor to convince the supplier to improve execution or be punished. Sometimes the organization will investigate with the supplier innovative methods to enhance overall performance and meet project requirements.

Table 4.31. Closing procurement and contracts

There is a clearly defined process for closing procurement and contracts.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Disagree	2	5.9	5.9	3.941	.886
Neutral	8	23.5	29.4		
Agree	14	41.2	70.6		
Strongly Agree	10	29.4	100.0		
Total	34	100.0			

Source: Own Survey, 2021

Table 4.31 states that 41.2 % and 29.4% agree and strongly agree that there is a clearly defined process for closing procurement and contracts. While only 5.9% replied disagree and 23.4% were neutral.

The finding is additionally in concurrence with interview response made with the sourcing manager expressing that the procurement contract of a project is stated to be closed when the goods or services of the project are received.

Table 4.32 Documentation of work performance information

Work performance information and procurement documentations are updated and documented for future reference.					
	Frequency	Percent	Cumulative Percent	Mean	Std. Deviation
Strongly Disagree	1	2.9	2.9	3.059	.919
Disagree	7	20.6	23.5		
Neutral	18	52.9	76.5		
Agree	5	14.7	91.2		
Strongly Agree	3	8.8	100.0		
Total	34	100.0			

Source: Own Survey, 2021

As depicted on the above table 14.7% agree and 8.8% strongly agree that Work performance information and procurement documentations are updated and documented for future reference. While 20.6% and 2.9% of the respondents disagree and strongly disagree respectively with the statement. The rest 52.9% replied neutral. According to data collected from interviewees reveals that there is documentation of lesson learned after each projects are completed and compiled centrally for program report at large. The identified problems, risks identified, solutions undertaken, threats and opportunities are documented and maintained for future use.

As per the interview and secondary sources procurement without plan, limited competition, delay of purchase & wrong specifications of the requisition of goods and services were common failures of the sourcing department. The performance of Ethio telecom was not given to the quality and timeliness of items delivery, procurement department did not provide sufficient stock for items which were requested to reduce delays, work interruptions

and unnecessary rush order expenses, strategic planning was not developed for frequently requested and most critical items which consumed more budgets items like electric materials; vehicles spare parts; stationeries and office supplies.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1. Summary of Findings

The main objective of the study was to assess the practices of project procurement management in Ethio telecom while considering a single project which is the 4G network expansion project in Addis Ababa. The study used descriptive research design and mixed (qualitative and quantitative) research approach. To gather information for the project work, primary sources including structured questionnaires, interviews and observations were used, and secondary sources including procurement manuals and reports were revised.

After a rigorous analysis of the data collected through a survey questionnaire and semi structured interviews the following findings were obtained

- ❖ Majority of the respondents were males, In general majority of the respondents were in the age groups of 25 up to 35 years old. Regarding educational level of the respondents all of them have degrees and masters. Most of the respondents have been working in the company for 5 years and above.
- ❖ Although there is a standardized procurement management process, policies, rules and procedures project procurement requesting unit staffs lack the awareness on the sourcing and procurement process and procedures of the company.
- ❖ The procurement staff and project team are not being trained enough regularly.
- ❖ There is a standard check list to be used by project team and procurement team to request for goods and services required to accomplish a certain project objective. And also there is a standardized project procurement management process in place.
- ❖ Even if there was a plan for the project procurement, the plan was not well developed. Scope and specifications made in the planning were not clear enough and detailed. Concerned stakeholders were not involved in the planning process.
- ❖ Procurement statement of work and requirements document was not produced in detail for the project procurement needed.

- ❖ Cost estimation and market research were considered during planning, while Risk that might be involved in the project procurement and project schedule were not considered properly.
- ❖ Majority of the respondents agree that there is standardized and formal procurement template used to obtain bids or proposals for the project procurement.
- ❖ Although the procurement policy indicates that a pre-meeting shall be held to clarify supplier's unclear criteria, the practice does not seem to abide the policy.
- ❖ Specification of the project procurement was not confirmed before supplier selection and there is no clearly seen supplier involvement technique that can help getting inputs from suppliers regarding the project procurement under consideration.
- ❖ Although evaluation techniques and predefined supplier selection criteria are available, the sourcing unit's communication of these techniques and criteria to the requesting unit's workforce appears to be insufficient.
- ❖ Regular review isn't done to assess procurement performance progress of supplier.
- ❖ Majority of the respondents disagree that monitoring and controlling is made for procured goods, to insure that they are delivered/executed as planned.
- ❖ Frequent change request was made on the project due to scope/specification change, but, there was no predefined change request management procedure to take appropriate correction on the changes needed.
- ❖ Concerned stakeholders were not properly managed in the process of the project procurement.
- ❖ Contract and contract related documents are maintained, but claims, disputes and change requests to contract are not managed properly.
- ❖ There is a clearly defined process for closing of procurements and contracts.

5.2. Conclusion

Based on the findings of the study variety of outcome were drawn considering the research questions.

Ethio telecom has a well-defined and organized procurement policy in place that is used to procure any goods and services required by the project operating unit. Project procurement requesting unit staffs lack the awareness on the sourcing and procurement process and procedures of the company, as the company has failed to provide formal regular training on project procurement management.

The project procurement plan was made without the consultation of all stakeholders and without consideration of any risks that might be involved in the project procurement, besides, specification was not well developed. Project schedule was not taken under consideration whilst preparing the procurement plan for the project. Defining activity requirements which include the specific needs such as location availability were not put into consideration which has resulted in items being stored outside being exposed to different conditions, misunderstanding the activity requirements has also resulted in items being obsolete. Cost estimation and market research were properly considered and conducted during the planning stage of the project procurement.

Ethio telecom prepares standardize procurement document to obtain bid/proposal from suppliers. The prepared documents help the company to get accurate, relevant and complete response. It also uses appropriate means of communication to announce its procurement documents for its prospective suppliers. Despite what is indicated in the policy there is no act of pre-bid meetings with potential sellers or suppliers preceding to submittal of bid or proposal. The company uses pre-defined proposal evaluation criteria and prefers to conduct preliminary screening before making detail evaluation the received proposals.

Regarding the practice of controlling project procurement, based on the majority of the respondents, procurement monitoring and controlling is being less practiced. Most of the time, once the procurement takes place, few attentions is given to monitor and control whether procured goods and services are delivered in time and in regular pattern. The result also reveals performance of vendor is not regularly reviewed. There is no well-organized

contract administration staff and system that can support the procurement process by monitoring and reporting contractors' performance, and administer claims, disputes and change requests. Since there was practice of keeping work performance information and update of documentations, lessons can be learned to perform well in future project procurements.

Procurement performance has been affected by challenges from end user side because of several unplanned and scattered requisitions. End users in the internal divisions have an issue in preparation of purchase requisition which include deficiency of properly defined, up-to-date, and entire technical specifications in agreement to technological change, which prompts to extra explanation demands. Unplanned and urgent purchase requisitions is one of the main challenges of the company that creates unnecessary work load and crowding on the project unit and the procurement staff, compromising the efficiency of the procurement process.

5.3. Recommendation

In order to alleviate the problems those were identified by the study, the researcher recommends the following points:

- ✓ Planning should be given due consideration in placing a project procurement need. Scope and specifications, requirements related document, cost, schedule and any risk involved should be well considered in the planning stage.
- ✓ The company should provide adequate training on project procurement management area for project team members since it increases their knowledge and skill.
- ✓ There should be also a consistent culture of pre-meeting with candidate suppliers like bidder conference, field visit and teleconferencing in order to clarify any ambiguity on specification of goods and terms and regulations. This will enhance the bid process and delivery of goods and services based on the specified quality, quantity, time, place and price.
- ✓ Good procurement procedure require follow up evaluation of suppliers, sometimes even of the individual purchases in order to ensure whether they are buying the best

value in terms of the best quality, prices and services. A constant follow up is needed on the implementation of the procurement procedures.

- ✓ Contract management is an important aspect of managing relations and a contract management solution is the critical tool used to get the most out of the agreement, therefore, there should be contract management or administration system that can support the project procurement process in the company.
- ✓ Monitoring and controlling should be made for procured goods, to ensure that they are delivered or executed as planned. This must be undertaken throughout the procurement processes. One way to ensure this is to develop a checklist of procedures that should be followed in all situations. By having everyone on the team work together to develop the checklist there is a sense of ownership in helping to bring this to the business. That will also serve to get everyone on board with the new check list in that process may discover new control are needed.
- ✓ Contractors' performance should be monitored and reported regularly and claims, disputes and change requests should be properly followed up.

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APPENDIX A
QUESTIONNAIRE



ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
DEPARTMENT OF PROJECT MANAGEMENT

Dear Participants:

My name is Nebil Muzeyin, I am MA student in Project Management at Addis Ababa University School of Commerce. As part of my MA requirement, I am doing project work entitled: 'Assessment of Practices of Project Procurement Management in Ethio Telecom: The Case of 4G Network Expansion Project'.

Hence, to gather information, I kindly seek your assistance in responding to the questions listed below. Any information you provide will be kept quite confidential and will be used solely for academic purpose. Also I respectfully urge that you answer the questions honestly and return the completed questionnaires. Knowing how valuable your time is please, take few minutes of your time to fill the questionnaire.

Thank You in advance for your support and time.

N.B:

- Writing your name is not necessary.
- Put “✓” for your choice in the box provided.
- Please respond to all questions.

Part One: - General Information

1. Gender

- ☐ Male
- ☐ Female

2. Age

- ☐ Less than 25 Years
- ☐ 25-35 Years
- ☐ 36-45 Years
- ☐ Over 45 Years

3. Educational status

- ☐ Certificate
- ☐ Diploma
- ☐ BA/BSc Degree
- ☐ MSc/ MA
- ☐ Other Specify _____

4. How long have you been employee of Ethio Telecom?

- ☐ Less than 3 Years
- ☐ 3-6 Years
- ☐ 7-10 Years
- ☐ Over 10 Years

Part Two: - This section is to find out your opinion about the project procurement practice at Ethio Telecom. Please indicate the extent to which you agree or disagree with each of the following statements by putting a check mark (✓) in the appropriate column.

The Item scales are five point Likert scale:

1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, and 5= Strongly Agree

1. Project Procurement Management

No.	Question	1	2	3	4	5
1	There are documented policies, rules and procedures on procurement management in the project.					
2	Project procurement requesting unit team is well aware of the procurement management Process.					
3	Regular Training is being provided to procurement requesting units and sourcing staffs					
4	There is a standardized (formal) project procurement management process in place.					
5	There is a procedure that procurement requesting unit follows in placing their procurement request.					

2. Plan Procurement Management

No.	Question	1	2	3	4	5
1	Procurement planning is prepared for the project.					
2	All stakeholders were involved in the project procurement planning.					
3	Clear and detail Scope/specification of project procurement is provided by the requesting unit.					
4	Detailed requirements document was developed for the project procurement.					
5	Risks involved with the project procurement were analyzed.					
6	Procurement statement of work was developed for each item to be procured for the project.					

7	Schedule of the project procurement was developed well in advance.					
8	Cost estimation of the procurement need was made.					
9	Market research is performed and taken as an input for procurement planning.					
10	The process for acquiring the goods and services needed is well defined.					

3. Conduct Procurement

No.	Question	1	2	3	4	5
1	Standardized and formal procurement documents are used to obtain bids or proposals.					
2	Bidder conference is administered before bid or proposal to assure all potential suppliers have clear and common understanding of the procurement.					
3	Specifications of items to be procured are confirmed before supplier selection.					
4	There is standardized bid or proposal evaluation technique.					
5	There is predefined supplier selection criteria					
6	Negotiation is made with supplier before signing the contract to attain mutual agreement.					

4. Control Procurement

No.	Question	1	2	3	4	5
1	Regular review is made to assess supplier's performance progress.					
2	Monitoring and controlling is made for procured goods, to insure that they are delivered/executed as planned.					
3	There is a predefined change request and management procedure to take appropriate corrections.					
4	Procurement relationship with end users, suppliers and other stakeholders are managed properly.					
5	Contract administration is done to assure supplier's performance matches contractual requirements.					

6	Procurement contract can be changed whenever by mutual consent and negotiation between purchaser and supplier.					
7	There is frequent change request on requirement and contract amendment.					
8	Claims and disputes related to the contract are addressed properly.					
9	There is a clearly defined process for closing procurement and contracts.					
10	Work performance information and procurement documentations are updated and documented for future reference.					

APPENDIX B

INTERVIEW



ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

DEPARTMENT OF PROJECT MANAGEMENT

Dear Interviewee,

First and foremost, I'd like to express my gratitude for your readiness to answer my inquiries. My name is Nebil Muzeyin, I am MA student in Project Management at Addis Ababa University School of Commerce. As part of my MA requirement, I am doing project work entitled: 'Assessment of Practices of Project Procurement Management in Ethio Telecom: The Case of 4G Network Expansion Project'.

This interview is made in order to gain a through understanding of project procurement management process of the company and identify and examine the challenges so as to suggest on improvement areas. Hence, I respectfully urge that you answer all of the questions, assuring you that your comments will be utilized solely as input for the research.

1. How was the project procurement plan prepared?
2. How is procurement conducted in the project?
3. What sort of mechanism is utilized to administer project procurements to make sure procurements are executed as per contract?
4. When and how is procurement and contracts are reported to be closed?
5. What are the major challenges that you encountered in the procurement management process of the project?