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Effective Public Procurement Management in Implementation of Successful Public Projects in Ethiopia: A Case Study of Addis Ababa City Government Housing Development Project offices.

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Abstract

The Research attempted to identify the impact of public procurement practice on construction of condominium housing, to assess if procurement planning affects implementation of public projects, to find out if choice of procurement methods and procedures influences public projects implementation, to evaluate if contract management and control influence public projects, to determine if public procurement directive affects project implementation. Ethiopia as one of the poor countries is striving to ensure the fulfillment of basic needs for the citizens is striving to insure sustainable development. Hence, the current regime, EPRDF, by realizing decent shelter is the key to become a human being, it has launched Integrated Housing Development Programme (IHDP) was launched in 2004 (1996 in the Ethiopian calendar) . Various strategies and programs are introduced and implemented at different periodical intervals with the primary objective of housing problem.

It was therefore, necessary to examine the impact of current public procurement practice on construction of condominium housing, procurement planning, procurement method, procurement contract administration and the procurement policy.

To achieve the above objective, the study depended on both primary and secondary information and data collected from target population. It was found public procurement practice have a great large position in any case of success or failure.

It was also realized that procurement planning, procurement methods and procedures, contract administration and procurement directives affect project implementation, since materials are the live hood of construction.

Therefore, it was concluded that public procurement practice has a great impact on the completion of public projects as per the initial plan.

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Acronyms:

AACGHDPF: Addis Ababa City Government Housing Project Office

AACG: Addis Ababa City Government

BoFED- Bureau of Finance and Economic Development

COMESA-Common Market for Eastern and Southern African

EU-European Union

EBRD-European Bank for Reconstruction and Development

EPRDF-Ethiopian people's Revolutionary Democratic Front

IBC-International Competitive Bidding

IHDP-Integrated Housing Development Program

MoFED- Ministry of Finance and Economic Development

NCB: National Competitive Bidding

NPM-New Public Management

OCG-Office of Government Commerce

OECD-Organizations for Economic Cooperation and Development

RFQ-Request for Quotation

RFP-Request for Proposal

UNDCF-United Nation Capital Fund

Chapter One

1.1 Introduction

The engagement of the Ethiopian Government and Addis Ababa City Government /AACG/in massive infrastructure and housing development projects specifically ,AACG has been engaged in huge housing development works intended to address the acute residential housing need in the city. The housing development project is part of the broader development initiative of the federal as well as AACG to raise the living standard of residence in Addis Ababa City (Un-Habitat, 2010).

In doing so, it is evident that in the selection of housing schemes, the question of economy remains the primary consideration because construction of housing requires considerable investment of capital. As a result, there is a great need to reduce building cost with the help of optimal utilization of building materials that are scarce and costly. Speed in construction is also to be brought about so that construction is completed in a short time as possible and houses are ready for early occupation with relatively less cost.

The conceptual review with respect to cost saving mechanisms is addressed from two aspects, namely construction technology aspect and construction management aspect. Besides these two construction aspects are interrelated, a good management skill helps not only to retain the cost saving mechanisms considered during the design phase but also to attain additional cost saving and quality techniques.

However, if the project is not well managed it may cost additional amount and may become more expensive than the conventional construction method. What we want to say is that though the cost reduction techniques are interrelated, greater attention should be given to the construction management that encompasses the inception till completion of the project.

1.1 Background of the study

Planning for construction project is very complex and challenging task because it involves the commitment of different parties' i.e. clients, consultant and

contractors. The construction project life cycle occupies three stages namely as pre-construction, construction and post-construction. At the same time the successful implementation of such projects depend on the right decision at the right time (Terengganu, 2010).

According to (Estache, Iimi and Ruzzier, 2009) infrastructure creates challenges that are not found in other areas of public procurement. The primary reason is that infrastructure is a highly complex and customized object and therefore, not only economic but also political, social and environmental considerations would be required from a long time horizon. In order to deliver public infrastructure services to citizens or taxpayers, there are a series of decisions that governments have to make.

The selection of appropriate procurement systems for a construction project may influence its success or failure. The procurement process provides opportunities for cost reduction and value enhancement to project owners. Procurement systems make a difference in project execution, while poorly managed project relationships negatively impact project performance (Meng et al, 2012).

According to (Sundaram & Campo, 1999) Government procurement is the acquisition of goods, services, and public works in a timely manner that results in best value to the government and the people. The performance criterion for evaluating procurement activities is economy, i.e., acquisition at the lowest price without sacrificing quality and timely delivery. Poor procurement management has an impact on project implementation and the functioning of the public agency concerned. It also delays the intended program benefits to society, constrains private sector performance, and is commonly perceived to be associated with bribes for the award of contracts.

Similarly, according to (Wittig, 2001) procurement is supposed to ensure best value for money, but officials often complain that procurement rules cause

delays, increase costs and lower quality of output than could be achieved “if we obstacle to program objectives such as building capacity at the community level, generating local employment or creating opportunities for vulnerable or disadvantaged sectors of the population. Some of these complaints result from a misunderstanding of the purpose of procurement rules or from a failure to correctly follow procedures, but real problems arise from the use of procurement rules that are not appropriate to the situation.

Eriksson (2007) argue that the procurement selection decisions are always judgmental, subject to bias, and heavily affected by individual experiences of a particular procurement system.

In the same vein, study of Rasidet al.(2006) indicates that different procurement methods offer different allocation of responsibilities, activities sequencing, process and procedure and organizational approach that would affect project performance.

According to (Wittig, 2001)Public procurement system are the bridge to fill the gap of public requirement from the private sector providers. Government provides good and services to its citizens in order to satisfy the needs of the society at large. In order to provide the service efficiently, the government obtained items from either external sources (private sector) or from internal source. In these sense governments traditionally use their budget process to decide if they will make something in-house or buy it from other through their procurement. However, unlike the private sector procurement, public procurement is business process within political system with distinct consideration of integrity, accountability, national interest and effectiveness.

Despite the huge public sector investment being made most developing countries experienced poor project management practices .These is resulted from ineffective procurement management system. Moreover, the absence of appropriate procurement management system and techniques to be employed

for specific development project has been among the critical bottlenecks hampering attainment of the desired development goals (OECD, 2009).

The integrated Housing Development program is a government-led and financed housing provision program for low and middle –income households in Ethiopia. The program was launched in 2004 G.C. According to Addis NegaritGazeta (1996 and 1999E.C) City Government of Addis Ababa Housing Development Project Office/AACGHDPO/ has been established under the Proclamation No 15/1996E.C. and later improved by proclamation No. 33/1999 E.C. The major objective of the project office is to implement the National Housing Development program and overcome the existing housing problem.

Addis Ababa Housing Development Project Office/AACGHDPO/plays the major role in the construction of housing project by coordinating (consultant, contractors and micro and small enterprises) and providing the necessary materials for contractors and micro and small enterprises.

Consultants involved in the housing development program have responsibility of preparing bill of quantity and on spot supervision of housing construction. On the other hand contractors have the role and responsibility to accomplish the projects in specified time. As a result both the contractors and the consultants are required to strength their staff, implement as per the schedule, and do works in coordination with other parties.

On the other hand, the project office provides the necessary construction materials for the contractors by procuring form the local and international market.

1.3. Statement of Problem

The success of any given organization will depend on the strategic management of all its key sections. Any forward looking enterprise should have its procurement function as one of its key sections. This is mainly because the

biggest task of budget implementation for major public and private companies and institutions lies in the procurement of goods services and works, (Gian.L.Albano, 2012)

In country, where procurement policies and procedures are well designed and such an instrument are practiced by all decision makers and staff of an institutes, departments and units in procurement process obviously makes difference in successful accomplishment of development project attainment of goal of development strategies. However, poor procurement management system hinders the achievement of organizational objectives (World Bank, 2012).

Good public procurement practices are a major determinant of the effectiveness of public expenditure. On behalf of their citizens, governments typically spend as much as 5–20 percent of their gross domestic product on procurement of goods and services, and effective procurement policies enable better use of government budgets (OECD, 2011)

In a response to reduce the incidence of time and costs overruns, the disputes that may often arise, and the likelihood of project success, alternative forms of procurement method is required. Not all forms of procurement method, however, are appropriate for particular project types, as client objectives and priorities invariably differ (Skitmore, R.M., and Marsden, D.E.. , (1998)). The objectives and priorities of an organization need to be matched to a procurement system. To do this effectively, it is essential that the characteristics of various procurement systems and selection methods available are understood by organizations and their advisors before a procurement method is selected.

It appears that different studies have exploited the effects of different procurement factors peculiar to their construction industry on project performance. Worthy of note in the use of different procurement methods is that they offer different procurement factors in respect of their selection

criteria, tendering methods, variation order, contract management system, inherent risks and management of relationships between parties on a project that can affect project performance.

According to Un-Habitat 2010 Even though the government planned to build a total of 175,000.00 Condominium Housing in the year 2006-2010, the government had built a total of 80,257 housing units in Addis Ababa by mid of 2010 which is 46% of the plan. These indicates that there are different factors for meting below 50% of the plan. According to the project office report the following are the major problems:-Contractors related problem, Consultant related problem, infrastructure related problem, procurement related problem, rules and regulation related problem and finance related problem .So it is the interest of the researcher to find out the project performance related to procurement. The preliminary investigation revealed that, there are various instances of items purchased don't match with items requested (wrong quality) and a number of procured items are fond in the stockyard of project office.

Moreover, the procurement policy in Ethiopia and also in Addis Ababa city Government is almost the same, is prepared for all public organization in the country. However, procurement of construction materials is different in its nature.

It is the interest of the researcher that financial performance should not be the only measure to conclude the performance of the procurement. Thus, qualitative factors to evaluate the performance of public procurement like quality of procured goods, timely delivery of order, monitoring and evaluating of procurement against the actual plan present should be included. So this study investigates the effects of these procurement factors on construction project performance. So that the researcher can avail conclusion and recommendations for future proper usage of resource for best practices in public project implementation.

1.4 Objectives of the Study

1.4.1 General Objective

The aim of this study is to critically analyze and assess the contribution of effective public procurement management system for the success of Addis Ababa city government housing development project office.

1.4.2 Specific Objectives

1. To assess whether procurement planning affects performance of public projects.
2. To find out whether choice of procurement methods and procedures influences public projects performance.
3. To investigate how the project office manages its procurement contract
4. To find out the procurement performance of the project in relation with procuring the right quality, quantity, time, source, and price
5. To assess the procurement policy and strategy and its appropriateness

1.5 Research Questions

The principal research questions of the study will include:

1. To what extent procurement planning is in line with the work plan in the public organization?
2. How does choice of a procurement methods and procedure affect project performance? Is the procurement methods designed as per the science and practical situation?
3. How does contract management and control contribute to effective project performance?
4. How the user department perceives the procurement department based on the 5R's?
5. What is the procurement policy and strategy and how it is developed?

1.6 Significance of the study

The finding of the study will inform the management and all other stakeholders who are engaged in the procurement process and activities in public sector to properly execute their duties to improve their procurement system in general. And also the need to put efforts in introduction of appropriate procurement management approaches depending on the size and the nature of project undertaken. So it will build effective and efficient process of the public procurement by analyzing the current progression in relation with the practical and scientific approach.

On the other hand, the significance of the study would be its contribution of reducing the knowledge gap in the area of public procurement of the Ministry of Works and Urban Development, Federal Democratic Republic of Ethiopia Public Procurement and Property Administration Agency and Addis Ababa City Administration housing development Project office through how the public procurement training might be held and in what manner.

As well, Ministry of Works and Urban Development, Federal Democratic Republic of Ethiopia Public Procurement and Property Administration Agency and Addis Ababa City Administration housing development Project office could use findings and recommendations of the study as a feedback to improve the procurement support process unit. Furthermore, this study could potentially be used as the foundation for future research.

1.7 Scope and Limitation of the Research

1.7.1 Scope of the study

The scope of this study will be limited to procurement of construction materials for purpose of building condominiums. Even if the Ethiopian Federal Government Ministry of Urban Development and Procurement and Property Agency also purchase materials for the construction of condominium, due to lack of time the researcher will only try to identify problems related to Addis Ababa City Administration housing development Project office. Since more than 500 items are purchased from the local market, the research focuses on the local procurement procedure and problems.

On the other hand, since it is difficult to identify and reach consultants and contractors who completed the construction work, the research period cover only 2004-2007E.C, ongoing housing construction.

1.7.2 Limitation and challenges of the study

Lack of textbook and previous study in the area of public procurement was one of the challenges in this research. On the other hand the sample size of contractors may not represent the total contractors since, the geographical location of the project sites is at the out skirts of the city . Furthermore, easily availability of the contractors and consultants has forced the researcher to cancel lots of appointments and took longer than expected time and cost.

1.8 Research Methodology

This study was intended to assess the public procurement system based on fundamental theories, principles and management philosophies that are supposed to be effective parameters just to identify public procurement related problems on implementation of housing project in case of Addis Ababa City Government. Accordingly, public procurement management system and the

challenges those prohibited its effectiveness were evaluated. That means the purpose of this research is to find out the actual circumstances existing within the project with regard to public procurement management system and describing the facts. Therefore, the researcher preferred to use descriptive research type, which helps to use both qualitative and quantitative data analysis.

1.8.1 Study Population and sample size

The target population was local procurement officers, construction department experts, consultant, contractors, and respective line manager at the selected organization under study. The researcher selects the above population with the intention that, they have a direct or indirect involvement on procurement of construction materials. Besides, to realize the procurement process of project office senior experts of BoFED are included. The sample for the study was selected using a non-probability sampling design in the form of a purposive sampling method. Under the purposive sampling technique, the researcher purposely choose who, in their opinion were thought to be relevant to the research topic. In this case, the judgment of researcher was more important than obtaining a probability sample. The sample size for each target population was computed in the following way;-

- ❖ The head of whole department heads
- ❖ The whole consultant currently working in housing construction
- ❖ From the total contractor, only 200 of them currently working in housing construction
- ❖ The whole local procurement staff of the project office who have direct involvement in procurement of construction materials
- ❖ The whole contract administration staffs of the project office
- ❖ The whole senior procurement experts of Bofed who are supervisor of the project office

A total of 268 questioners were distributed and 165 were returned back of the study population.

Table 1.1: Showing the Number and Type of Respondents

Category of respondents	Questioner distributed	Questioner returned
Procurement department	10	10
Contract administration/constriction department/	10	14
Senior procurement experts of BOFED	9	6
Consultant	39	20
Contractors	200	115
Total	268	165

Source –Author survey, 2015

For interview case the researcher uses, the procurement support process team leader, senior officer of consultant, and the procurement officer who has more than 3 years of experience in local purchasing are included. Also, senior procurement experts of Bureau of Finance and Economic Development/BoFED/ are also interviewed since; they are the immediate supervisors of the purchasing process. Thus, the researcher assumes the right samples are selected and they are good enough to acquire the right data. For instance the researcher has triangulated the data originated from the staff with the BoFED experts and the contractors and the consultant.

1.8.2 Data Sources and Types.

The study used both Primary and Secondary Data. Primary data were collected by use of questionnaires and semi structured interview in the field. Questionnaires were administered from those who actively participate in the procuring process, procurement experts, contractors, constriction department experts, design experts and same manager. On the other hand the researcher

conducted semi structured interview with procurement support team leader, head of contract department senior staffs of the consultant and procurement staff of BOFED. As it was difficult to have data from each individual, the consultants, contractors and store person are found in different area of the city, having greater accuracy of respond rate might be difficult. Further personal observation of the purchasing procedure was done. Accordingly, secondary data were collected from available published records such as textbook, internet, magazine, articles and Journals.

1.9 Data Analysis

In general there are two types of data analysis techniques namely: qualitative and quantitative where by the choice of these methods greatly depends on the type of information the researcher has at hand.

As determined in the data collection tool for this study, data were collected in both questionnaire and interview. Accordingly, the collected data were analyzed quantitatively and qualitatively through micro soft excel. Particularly, statistical tools like: average and percentage were employed.

1.10 Organization of the study

The study is organized within four chapters, excluding the pre-pages and annexes. Chapter one describes the background, problems, objectives and methodology of the study. To aid in the attainment of the objectives of the study, a survey of the available literature that will undertake are presented in Chapter two. The chapter therefore provides the theoretical grounding that forms the foundation of the study, concerning the process of public procurement. In Chapter three we will have the results of the data from the research study. Finally, chapter Four concludes and recommends based on the analysis, findings, interpretation and implications.

Chapter Two

2. Theoretical and Empirical Literature Review

2.1 Definition of Procurement

As per (NewZealand, 2011) procurement means the acquisition and delivery of goods or services, starting from need identification to the end of a service contract, or the end of the useful life and subsequent disposal of an asset.

Procurement is the whole process of acquisition from third parties (including logistical aspects) and covers goods, services and construction projects. This process spans the whole life cycle from initial concept and definition of business needs through to the end of the useful life of an asset or the end of a services contract"(Lysons and Farrington ,2006)

In addition, African development Bank defines procurement as process of acquiring good, works and services resulting in the award of contract under which payments are made in implementation of projects, in accordance with the governing rules and procedures and guidelines of the financing agency or agencies.

2.2 Definitions and Theory of Public procurement

Public procurement is the acquisition of goods and or services at the best possible cost of ownership, in the right quantity and quality at the right time, in the right place, for the direct benefit or use of government, corporation or individuals, generally via a contract. This definition identifies substantive issues that are subject of public procurement. To determine best possible total cost, right time, or quantity or right place, we will need a comparison, perhaps between most or all available options, thus if the different

goods, services or works can be provided by different people or entities, to compete to provide them, the different people or entities, need to know that the opportunity exists to compete, also they will need to know the precise need to be served and perhaps the standards that need to be met, fulfilling this need, thus requires information sharing, transparency as we often call it(Uromi, 2014).

As per Thai, K. V. (2004) public procurement is the function whereby public sector organizations acquire goods, services and development and construction projects from suppliers in the local and international market, by taking in to consideration the general principles of fairness, equitability, transparency, competitiveness and cost-effectiveness. It includes many activities that support the service delivery of government entities, ranging from routine items to complex development and construction projects. It also directly or indirectly supports government's social and political aims.

Conversely (kamau and Odhiambo , 2003) elaborated public procurement as the purchasing, hiring or obtaining by any contractual means, goods, construction works and services if such acquisition is effected with resources from state budgets, local authority budgets, state foundation funds, domestic loans or foreign loans guaranteed by the state, foreign aid as well as revenue received from the economic activity of state.

According to (Thai, 2001) public procurement is an important function of government, because it has been utilized as an important tool for achieving economic, social and other objectives. And also public procurement covers large amount of countries Economy so that it should be well managed, finally, public procurement has been perceived as an area of waste and corruption due to many reasons (including greater scrutiny of taxpayers and competing vendors),.

Conversely Benslimane, Plaisent, and Bernard (2005) argued that the overall aim and objective of procurement is to carry out activities related to

procurement in such a way that the goods and services so procured are of the right quality, from the right source, are at the right cost and can be delivered in the right quantities, to the right place, at the right time.

2.3 Procurement Strategy

According to (OCG, 2008) the procurement strategy should contain options analysis and recommendations around a range of issues depending on the precise nature of the procurement. Typically, for a complex procurement, it would include discussion of the contracting process itself; the number and nature of the suppliers required; the length and type of contract; contract and supplier management issues. Consideration might also be given as to whether an existing contract could be used, either one let by the authority or whether another government contract could be available for wider use. This can be an effective and efficient route, saving time and money in the procurement process.

On the other hand Baily&etl,2005 identified some of the main reason for the growth in purchasing involvement in the strategic decision-making are as follows;- purchasing is not simply reducing cost rather it is an area of adding value, awareness that active supplier involvement can increase efficiency, increased recognition of profit potential in purchasing.

In addition, Bovis(2007)argued that the regulation of public procurement, does not only represent a best practice in the delivery of public service by the state and its organs, it most importantly qualifies as an instrument of policy. The spill-over effects from the deployment of a particular strategy relevant to the procurement practices of the public sector will have significant implications for national and international trade patterns as it can be detrimental to any economic and political integration process a European Union state is committed too.

2.4 Procurement Policy

Policy is guiding principle for executives in decision making. Policies are mandatory and must be adhere to by all people and activities throughout the organization (Lysons and Farrington , 2006). As of other departments and the organization in general, the purchasing department should develop its own sound purchasing policy to achieve both the departments and the organization objective.

According to (Quayle, 2006)policies regarding the reciprocal trade, intercompany, and purchasing ethics should be established as part of the plan for purchasing management. Allied to selecting the policies, the structure of the purchasing function, centralize or decentralize activity and interface with material management, sourcing policy are all relevant to effective purchasing and supply chain management. Reciprocity involves a two way flow of trade between companies so that each is both a seller and buyer. [...] the growth of multiproduct companies has increased the opportunities for internal trading between different parts of the same company. A policy decision is needed to state how such possibilities should be handled. There has been tendency in the past for arbitrary policies to be established giving preference to internal sources and thus restricting the choice of the buyer.

As per (Thai.K, 2009) A sound public procurement system needs to have good procurement laws and regulations since it have a great impact on its efficiency. And procurement laws and regulations should clearly cover the whole scope of public procurement, all stages of the procurement processes, methods and procurement, ethics, and transparency. Procurement laws and regulations should be clear, consistent, comprehensive, and flexible and should be accessed by the public at large.

According to (Lysons and Farrington , 2006)purchasing manual is a medium of information regarding purchasing policies, directives, procedures, instructions

and regulations. The major advantages of purchasing manual are: precision and clarity, it provides an opportunity for purchasing department and other departments to look critically the existing policies of and where necessary to change them, promote consistency of purchasing principle and uniformity.

2.5 Basic Principle of Public Procurement

Different authors elaborated the basic principle of public procurement in different ways but their goal is almost the same.

Public procurement is different from private procurement, because in public procurement the economic results must be measured against more complex and long term criteria. Furthermore, public procurement must be transacted with other considerations in mind, besides the economy. These considerations include accountability, non-discrimination among potential suppliers and respect for international obligations. For these reasons, public procurement is subjected in all countries to enacted regulations, in order to protect the public interests. Public procurement is a business process within a political system and has therefore significant consideration of integrity, accountability, national interest and effectiveness (WITTIG, 1998).

According to (Lynch, 2013) procurement principles are the foundation of public procurement and should be addressed in the public procurement rules. They govern the management of public procurement, and also set the framework for a code of conduct for public procurement practitioners and all other officials directly or indirectly associated with the public procurement process. Some of the fundamental principles of public procurement are transparency, integrity, economy, openness, fairness, competition and accountability.

In the same way, Baily & etl,2005 summarized general public procurement principles as follows

1. Purchasing should be based on value for money
2. Competition should be used to acquire goods and services (unless there are convincing reasons to the contrary)

3. There should be clear definition of the roles and responsibilities of personnel involved in specifying the need, giving financial authority and making purchasing commitments
4. There should be separation of the financial authority and the purchasing authority.
5. There should be separation of duties between personnel who make contracts, those who receive the goods or services and those who authorize payments.
6. Requirement which are above a certain financial threshold are normally required to be advertised in accordance with [government] regulation on public procurement.

Similarly, (European Union, 2011) identified two basic public procurement principles, value for money and acting fairly.

On the other hand UNDCF,2013 listed out seven principles as a foundation for developing procurement guidelines for local administrations in least developed countries. These are appropriate roles and responsibilities, value for money, transparency, efficient process, and equity, compatibility with National Laws and Donor Requirements and Efficient Risk Management.

2.5.1 Role and Responsibility

Three types of responsibility are recognized: technical responsibilities, including conducting the procurement process and making recommendations to the decision-making authority, decision-making responsibility and Oversight responsibility (UNDCF, 2013).

2.5.2 Value for Money/Economy/

According to (Uromi, 2014), value for money is the basis for comparing alternatives. So buyers can choose the most cost-effective outcome. Value for Money can be referred as a maximum benefit that procuring organization obtain from the good or service it acquired within the resource available. It is a good measure of an economy, effectiveness and efficiency which also referred 3

Es as spending less, spending wisely and spending well. It is evaluated on a whole-of-life basis of the good or service being procured and is influenced by a number of factors which procuring entities have to observe the following:-

- i) Adoption of procurement methods which are economical.
- ii) Maturity of the market for the works or service sought, and the knowledge of the market.
- iii) Performance history of each prospective supplier through a product search and maintenance of database of best performers.
- iv) Relative risk of each proposal gets duly calculated in the entire process of procurement.
- v) Financial considerations, including all relevant direct and indirect benefits and costs.
- vi) The anticipated price that could be obtained at the point of disposal of procurement items should be estimated.
- vii) Maintenance cost of procurement items should be taken into account and be justified in the procurement process decisions and
- viii) Evaluation of contract options that takes value and quality on balance

Conversely, (European Union, 2011) contend that value for money means finding a solution which meets the requirements procuring entity have identified , in the most cost-effective way. Best value not only measures the cost of goods and services, but also takes account factors such as quality, efficiency, effectiveness and fitness for purpose.

2.5.3 Competition

According to (Sundaram;Campo, 1999) Competition in procurement is defined giving equal opportunity for all qualified suppliers. Competition and impartiality are needed not only to ensure a beneficial outcome in price and quality, but also to promote public accountability in the process. Increasing competition in public procurement is a goal of most governments due to the fact that the procuring entity can get lowest price.

2.5.4 Transparency

Transparency reduces uncertainty and inhibits corruption in procurement by assuring equality of access to information for all bidders before, during, and after the bidding process (OECD, 2009). Information on procurement opportunities should be disclosed as widely as possible in a consistent, timely and user-friendly manner, using the same channels and timeframe for all interested parties. Conditions for participation, such as selection and award criteria as well as the deadline for submission should be established in advance. In addition, they should be published so as to provide sufficient time for potential suppliers for the preparation of tenders and recorded in writing to ensure a level playing field.

According to Kashap,2004 transparency is a central characteristic of a sound and efficient public procurement system and is characterized by: Well-defined regulations and procedures open to public scrutiny, Clear, standardized tender documents, Bidding and tender documents containing complete information, and Equal opportunity for all in the bidding process.

2.5.6 Accountability

Accountability in public procurement means that anyone involved in the procurement process is responsible for their actions and decisions with respect to the public procurement process (Lynch, 2013). Accountability and transparency are vital to procurement management a. Lack of oversight mechanisms to ensure accountability undermines the capacity of governments to secure the confidence of contractors in the public procurement process and the trust of citizens in the proper use of that public fund. Trust and confidence can be especially eroded by secrecy in procurement transactions; especially at the local levels (although a degree of confidentiality is essential to protect business privacy and the legitimate interests of individual bidders).

2.6 Procurement Process

Procurement has a number of steps and the terminology for each step can vary (UNDCF, 2013). The following are the general steps: Planning, Preparation, Search, Evaluation, Decision, Delivery and Payment.

Similarly OECD, 2009 identified the following three procurement cycle

- pre-tendering, including needs assessment, planning and budgeting, definition of requirements and choice of procedures;
- tendering, including the invitation to tender, evaluation and award; and
- post-tendering, including contract management, order and payment

On the other hand, Kransniqi, 2012 identified the following as procurement cycle : procurement planning , calculating the value and classification of the contract, determination of the procurement procedure ,preparation of tender dossier ,announcement of the notice - publication ,opening and evaluation of tenders ,Giving and signing of contract and contract administration.

As per (Tacle, 2014)) the procurement process tracks the following stages. These phases are:- procurement planning; contract formation and the contract administration phases.

From the above discussions, we can conclude that procurement planning, determination of procedure, advertisement, choosing right supplier, awarding and contract administration are the major procurement process that one procuring entity can pass step by step.

2.7 Procurement Planning

Procurement Planning is a set of prior arrangement for future actions in order to achieve certain goals with effectiveness of high quality at an optimal time (Kransniqi, 2012). Planning is the basic function of management, because all other functions (organization, leadership and control) implement the decisions taken at the time of planning. (...). he further elaborated by referring World Bank rules, the procurement plan is part of project preparation, because they

have to prepare an acceptable plan to procure the legal deadline, provided: separate contracts for supplies, services and jobs.

As per Basheka, 2008 procurement planning is a process of determining the procurement needs of an entity and the timing of their acquisition and their funding such that the entities operations are met as required in an efficient way. As a function, procurement planning accomplishes to answer the following questions :(a) what do you want to procure? b) When do you want to procure it? (c)When are you to use the procurement?(d) Where will you procure them from? (e) When will resources be available?(f) Which methods of procurement will you use? (g) How will timely procurement or failure affect the user of the item(s) and the Procuring and Disposing Entity?(h) How can you be more efficient in the procurement process? and (i) Who will be involved in the procurement? (...) Procurement planning therefore has to take into consideration the concept of total procurement time which is determined by the length of the procurement process i.e. how long the procurement takes to pass through all the stages of the acquisition (procurement) cycle.

2.8 Procurement Methods

In most public procurement guidelines and manuals, procurement methods are identified by different names for groups of procurement categories.

According to Lynch, (2013) public procurement methods are the procedures used by procuring entities to acquire goods, services and construction works. He classified Public procurement as competitive or noncompetitive. There is a preference for using competitive methods, given that they are likely to promote transparency, economy and efficiency, and limit favoritism. By referring UNCITRAL Model Law on Public Procurement, he further classified as open tendering, request for proposals, two-stage tendering, restricted tendering, request for quotations, and single-source procurement.

Then again, Arrowsimt at etl,2011 adopt a threefold classification of procurement methods as follow; Formal tendering(opening tender, Two stage tendering and restricted tendering),Less structured methods of competitive

procurement such as(request for proposal ,competitive negotiation and request for quotation),single source procurement.

Conversely (UNDCF, 2013) Even if number of different procedures defined, and the terms used, vary from country to country, but broadly, the procurement methods defined in typical procurement regulations are: International Competitive Bidding (ICB), National (or Domestic) Competitive Bidding (NCB), Shopping (sometimes called Request for Quotations, RFQ), and Direct Contracting.

2.8.1 Open Bidding (Tendering)

According to Lysons and Farrington (2006) a purchasing procedure whereby potential suppliers are invited to make a firm and unequivocal offer of the price and terms on which they will supply specified goods or services, which, on acceptance, shall be the basis of a subsequent contract. Alternatively, Lewis (2005, pp 1) elaborate as a formal written offer to undertake work or provide services for a stated price is called tender.

According to (Lysons and Farrington , 2006) Prospective supplier are invited to compete for a contract advertised in the press or on the internet-the lowest tender generally being accepted, although the advertisers usually state that they are not bound to accept the lowest or any tender.

2.8.2 Two-Stage Tendering

According to The European Bank for Reconstruction and Development (EBRD, 2014), At the time of difficulty in preparing complete technical specifications in advance, a two-stage tendering procedure shall be used, under which first un priced technical proposals on the basis of a conceptual design or performance specifications are invited, subject to technical as well as commercial clarifications and adjustments, to be followed by amended tendering documents and the submission of final technical proposals and priced tenders in the second stage.

Then again,(Lynch, 2013)identified the following as Advantages of the two-stage tendering process:

1. Since suppliers are participated in preparation of technical specifications, it is more flexible and the selected suppliers have good understanding about the contract.
2. Prospective bidders are able to make suggestions for improvement of the technical specifications and scope of work of the assignment through their technical proposal and clarification discussions.
3. Risk is minimized given the early involvement of prospective bidders in the definition of the technical specifications and scope of work.
4. There is more certainty regarding the qualifications of the preferred bidder.

2.8.3 Restricted (Selective) Tendering

As per Odhiambo and Kamau (2008) restricted tendering is a procurement procedure where bids are obtained by direct invitation without open advertisement. In this case Procurement entity will directly invite suppliers to participate in tendering without announcement. Restricted tendering can be national and international. Restricted national bidding is the procurement where bids are obtained nationally by directly inviting prequalified providers whereas, in international bid only pre-qualified international firms are invited. In both cases, the procuring entity must demonstrate that open tendering is not viable or prudent. The disadvantage of this method is that it is an important source of corruption in the process of pre-qualification. On the other hand, it has an advantage taking short period of time for procurement process as compared to open tendering method.

2.8.4 Request for Quotations

As per to (Lynch, 2013)The procurement process needs too short time , higher probability of response to the request for quotations are the advantages of request for question procurement method. On the other hand the following are the disadvantages of Request for quotations;

- it limits Competition since only limited number of supplier are invited

- Are prone to abuse by the splitting of requirements into smaller sizes in order to justify applying this method of procurement.
- It may give an opportunity to repeatedly requesting quotes from a select and reduced number of firms even if the goods, services or works are available from a greater number.

2.8.5 Direct purchase

According to (Tacle, 2014) T) Mostly, direct method is used when the product is supplied only by one supplier or contractor. It may also be used in circumstances where the need is one of pressing emergency in which delay would create serious problems and therefore be injurious to the performance of the procuring entity; instances where the continuation of an already satisfactorily performed consultancy service would be in the interests of economic efficiency; instances where 'shopping' becomes necessary (as discussed below); and instances where rare opportunities of exceptionally advantageous conditions present themselves. The shortcoming of this method is anti-competitive and discriminatory.

2.8.6 Request for Proposals

According to Lynch J, (2013pp 8) The Request for Proposal (RFP) is a two envelope procurement method which can be used for procuring goods, services or works. It is used when suppliers, contractors or service providers are expected to propose a specific solution (methodology and work plan) for fulfilling a particular procurement requirement.

Organizations are required to submit technical and financial proposals in two separate envelopes. The technical proposal is evaluated first and ranked according to predetermined evaluation criteria. Only the financial proposalsof those organizations achieving a minimum qualifying mark (score) on the technical evaluation, as indicated in the RFP, are opened and evaluated.

2.9 Contract management

Grave,(2008) by referring Domberger,1998:12 define contract as an agreement between a purchaser and a provider (buyer and seller) which states the terms of delivery of a service or product.

Contracting is an essential part of the New Public Management (NPM) agenda that focuses on competition and adopting management techniques from the private sector which enables a results-based management system. (Greve, 2008).

According to (EU, 2011)Contract management activities includes: delivery management, relationship management, and contract administration. Delivery management ensures that whatever is ordered is then delivered to the required level of quality and performance as stated in the contract. Delivery management may include checking the nature, quantity and quality. Relationship management seeks to keep the relationship between the economic operator and the contracting authority open and constructive, with the aim of resolving or easing tensions and identifying potential problems at an early stage, while also identifying opportunities for improvement. Relationships must be wholly professional throughout and must include a professional approach to managing issues and dispute resolution. Contract administration covers the formal governance of the contract and any permitted changes to documentation during the life of the contract. This area of contract management ensures that the everyday aspects of making the contract run effectively and efficiently are taken care of.

Then again, as per (OCG, 2008) Contractual relationships play a central and fundamental part in the delivery of public sector services and touch the lives of every citizen. Suppliers' actions are often critically important, and when things go wrong, the failure can be expensive in human, financial and reputational terms. Good management of the operational phase of the procurement is

therefore key to successful service delivery. Contract management activities can be broadly grouped into three areas:

Service delivery management – ensures that the goods or services are being delivered as agreed, to the required level of performance and quality, and are supporting the business and operational need for the contract. Relationship management – keeps the relationship between the two parties open and constructive, and aims to resolve or ease tensions and identify problems early. Contract administration & change management– handles the formal governance of the contract and changes to the contract documents.

Contracting involves a number of actor's. Purchasers, the providers, the public that has to consume the services, the regulators who have to oversee the purchaser and the provider, the politicians who lay out and revise the contracting policy and the various international organizations that are framing the rules for contracting to take place (Greve, 2008). It is usual for purchasing staff to know something of the general principles of interpretation and the rules of evidence, including how the courts will construe the words used, resolve ambiguities, take account of trade usages, vary written terms and 'fill in the gaps' with regards to issues not covered in the contract Lysons and Farrington (2006, pp 214).

Successful and efficient contract management practices are those that meet the needs of the company's stakeholders, achieve best value for money optimum , ensure rational and efficient of funds available, stimulate competition and manage the risk and potential liabilities to the buyer thus improving service delivery. The people in charge of the contracts need to play an important and meaningful role in ensuring that the company's contractual goals are fully achieved at the minimum cost possible. (Golovachkina, Bradley, 2002).

Successful contract management and completion is often defined, as procurement of the right item, in the right quantity, for the right price, at

the right time, with the right quality, from the right source (Thai K. , 2004) .

On the other hand Grave, 2008 identified different main reasons of contract. These are to save money, get value for money, be innovative, and help a country's industry in getting orders. The main hindrances for contracting are the risk of fear of quality degradation, changed accountability structures and lack of transparency.

(Oluka and Basheka, 2012)Oluka and Basheka (2012) identified the following determinates by referring the Common Market for Eastern and Southern African (COMESA) Trainers of Trainers Workshop held in Addis Ababa, Ethiopia from 25th July-5th August 2010.The participants identified key issues that can influence contract management as follows:

Table 2.1 determinants of successful contract management

s.no	Determinates	Indicators
1	Putting in place structure and resources	Identifying and defining processes and a clear contract management plan, with a focus on outputs and milestones to performance;
2	Ensuring the right people are in place	The contract manager has a detailed knowledge of the contract;
3	Clear Roles and responsibilities	Clearly defining the responsibilities of the contract manager and the contractor supplier in a contract;

4	Feedback and communications mechanisms	Regular and routine feedback is given to suppliers on their performance; Users understand what the contract is intended to deliver;
5	Payment and incentives	Ensuring payments are made to the supplier in line with the Contract
6	Managing risks;	Identifying and anticipating risk such as service failure, reputation as, damage and additional costs.

Source –Author survey, 2015

From the above framework, they drive five determinants as such: apportioning of resources; clear reporting lines, defining of roles and responsibilities, ensuring timely payments and managing of risks.

2.10 Procurement challenges and consequences of poor procurement

An Effective public Procurement system is essential for good governance. A poor procurement system results in higher costs to government and the public. It delays project implementation which further increases costs, leads to poor project execution performance and delays the delivers to benefits to the beneficiaries. Procurement problems also increase scope for corruption, generate more complaints and raise concerns about the integrity of the procurement process) (Thai K. V., 2001). Finally, poor procurement discourages good firms (both national and foreign) from participating in biddings, thus deprive the country of receiving better prices and goods, works and service.

2.11 Professionalism in Public Procurement

Professionalization is associated with the development of associations that seeks to establish minimum qualification for entrance to a professional practice or activities, enforce appropriate rules and norms of conduct among the members of the professional group and raise the status of the professional group in the wider society (Lysons and Farrington , 2006). In order to ensure public accountably, yet to gain optimum impact through the use of commercial best practice, there is a need for professional training and education of those personnel responsible for the strategic direction and practical application of procurement action.

2.12 Major causes of Delay in the construction Project

According to (Odeh and Battaineh, 2002) ,the major causes of delay in the implementation of construction projects are categorized as client-related, contractor related, consultant-related, material-relate, labor related, Contract-related, contract relationship-related and external factor. Therefore, the factors that contribute to contract delays are stated as;

- Clients related factors: finance and payments of completed work, owner interference, slow decision making and unrealistic contract duration imposed by owners.
- Contractor related factors: delays caused by subcontractor, site management, improper construction methods, improper planning and errors during construction, and inadequate contractor experience.
- Consultant related factors: contract management, preparation and approval of drawings, quality assurance and waiting time for approval of test and inspection.
- Material related factors: quality of material and shortage in material.
- Labor and equipment related factors: labor supply, labor productivity and equipment availability and failure.

- Contract related factors: change orders and mistakes or discrepancies in contract document.
- Contract relationship related factors: major disputes and negotiations, inappropriate overall organizational structure linking to the project and lack of communication between the parties.
- External factors: weather condition, regulatory changes, problem with neighbors and unforeseen site condition.

3.12 Empirical Literature review

Different researches have made in relation with public procurement. Even though the scopes of the research area are poles apart, most of them focus on the effective and efficiency of the discipline.

As per Mesfen (2007) on the evaluation of purchasing practice at Addis Ababa University College of Commerce, tries to identify the causes of the inefficient purchasing and consequences. The major aim of the researcher was critically reviewing the purchasing procedure of AAUCC, assessing the variables that influence its efficiency and examine the implication of the prevalent purchasing practice on institutional performance.

The major findings of the research on the purchasing practice of AAUCC are, lengthy of process, lots of decision maker, communication gap, poor record keeping, absence of follow up, absence of accountability, many committee, lack of expertise and the like. In addition, the management is not giving sufficient emphasis for the purchasing function and the purchase requisition forms are not properly designed, they do not have space for specification and also they don't have serial number so identifying a particular requisition is difficult.

Finally the research recommend mainly to designing suitable forms to process purchasing, the management should give proper emphasis for purchasing function and the like.

Research done by (Ocharo, 2013) on Factors Affecting Procurement Performance: A Case of Ministry of Energy of Kenya tries to identify the major factors that affect procurement performance. The objective of this study was to investigate the factors affecting procurement performance a case of Ministry of Energy of Kenya.

The finding of the study reveals that Procurement planning, resource allocation, procurement staff competency and contract management positively affected procurement performance at the Ministry of Energy.

The most important factor was found to be procurement planning followed by contract management as pointed out by most of the respondents. This was because good plans result to effectiveness and efficiency in attaining projected results. Mamiro (2010) agrees with these findings and concludes that one of the major setbacks in public procurement is poor planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of the skills of staff responsible for procurement.

Recommendation

The study recommends that plans are not static and that preparation of annual procurement plans should be participatory, frequently reviewed so as to improve on the Ministry's procurement performance. Equally, management of the procurement process should be administered by qualified, competent and experienced procurement professionals. This will not only help maintain good procurement standards but also will help achieve high levels of efficiency and effectiveness. In addition, to avoid delays in supply and provision of services, timelines have to be respected since most projects would have overruns. For the success of the contracts under execution, the management of Ministry of Energy should ensure that proper mechanisms for project monitoring and evaluation are put in place with the input of procurement personnel and the user department with progress reports thereon escalated for necessary action.

Chapter Three

Data presentation and analysis

3. Introduction

This chapter includes the result (finding) from the study and analysis of those findings and their discussions.

Public procurement starts from user department request up to transfer of the requested inventory to the concerned unit. In the modern thinking, for the success of procurement unit, each department is also responsible and should work in a cooperate manner. However, the procurement department takes the primary responsibility and accountability for either the success or failure of the procuring process.

Addis Ababa City Government Housing Development Project Office/AACGHDPO /has a responsibility of purchasing the necessary inputs and construction materials from domestic market and also from abroad. According to construction department officers, we can categorize condominium construction materials in three categories based on suppliers. The first one is supplied by the contractor (sand ,stone and lumber), the second categories of input is supplied by micro and small scale enterprises(Pre-cast beam, and Brick) and the Procurement department of ACGHDPO procure the rest input for construction of housing(sanitary materials, electric materials ,cement, glass ,different types of steel and so on) . More than 500 construction materials are purchased by the department. Thus, the research focuses procurement unit during the procuring process.

3.1 Background of the Organization

According to AACGHDPO report (2014 pp.7) in Ethiopia, City Development policy was designed in 2005 by Council of Ministers by setting the following main objectives:

- Enabling cities to deliver better services to their residents and

- Bringing fast economic growth so as to create wide employment opportunity.

One of the principles to execute these objectives is to make the residents have ownership on their houses. It takes in to consideration that housing development plays a vital role in urbanization, creating employment opportunity, strengthening micro and small enterprises developing saving culture so as to make urban dwellers owners of their houses and in growing the construction sector.

Addis NegaritGazeta (1996 and 1999E.C) City Government of Addis Ababa Housing Development Project Office has been established under the Proclamation No 15/1996E.C. and later improved by proclamation No. 33/1999 E.C. The major objective of the project office is to implement the National Housing Development program and overcome the housing problem. In the proclamation, it is specified that the project office is headed by board with a general manager and deputy general managers.

However, establishing the project office only on the central level was not enough. Therefore, the project office has widened its scope as of November 1, 1997 E.C. and established branch offices in ten sub cities and another Agro stone Production Center. By now, the project office has 19 branch offices.

In doing so, AACGHDPO has a responsibility of purchasing the necessary inputs and construction materials from domestic market and also from abroad.

3. 2 Experience of Contractors and procurement impact

Table 3.1 Experience of contractors before engaging in the housing project

Range /number of years /	Frequency	%
Below 1year	7	6
3-5years	78	68
5-10years	20	17
Above 10 year	10	9

From the table 3.1, 94% of the respondents have an experience in construction industry before engaging in the housing project and the remaining 6% of the contractors does not have an experience. 68% of the contractors have an experience 3-5 year, 17% and 9% of them have an experience of 5-10year and above 10 year experience respectively. These shows as majorities of contractors have experience in construction industry. But only having an experience of contractors does not contribute to the accomplishment of housing project and also most of them are engaged in another similar construction project that would affect the efficiency and capacity of the contractors in terms of human resource and financial capacity to deliver the project at the agreed time and quality.

3.3 Procurement Planning

Procurement planning is very crucial step in public procurement process. According to(Kransniqi, 2012), procurement planning enables the procuring entity to achieve cost effectiveness, time, and quality through good cost estimation, properly specifying the materials purchased selection of right procurement methods which enables to get the right supplier who will deliver right quality with right quantity and time.

Table 3.2 Response of contractors

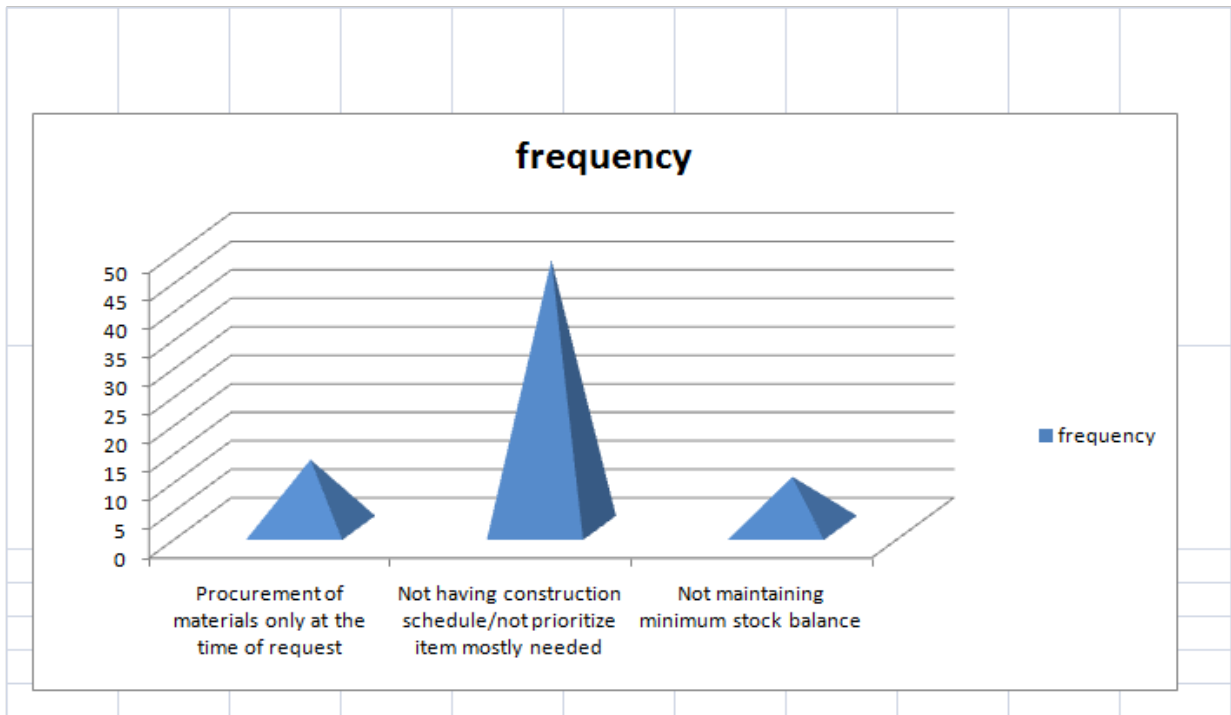
Description	Responses	Respondent	
		No	%
If the project period in the agreement is realistic	Yes	99	86
	No	16	14
Work completed within 30 months after signing of the contract	80-90 %	55	48
	70-80%	32	28
	Below 70%	28	24
If you know that the project office has procurement plan to fulfill the requirements of construction materials.	Yes	13	11
	No	102	89

If no, indicate the problems	Procurement of materials only at the time of request	21	18
	Not having construction schedule/not prioritize item mostly needed	79	69
	Not maintaining minimum stock balance	15	13
If the work schedule is approved by the project office			

Source –Author survey, 2015

Majority of the contractors replied that the construction period was realistic .All of the contractors agreed that the construction period of the housing project on the agreement was 10 month. On the other hand the collected data shows that almost all contractors are not competed and almost all of them stated that the constructed houses of the agency did not fully completed within the schedule time. In addition 30 months after the signing of the contract,48% and 28% of stated that the performance of the works contract is about 80-90% and 70-80% respectively. And all of replied that they signed the agreement before two years. These indicate that even though the construction period is realistic, there are other factors that delay the housing construction such as shortage of materials, lack of communication between parties, financial capacity of contractor lengthy process structure from client side construction of housing on time. In addition to the questioner data, the researcher reviewed the document from the clients’ office. The document reviewed clearly showed that the clients does not have work schedule for follow up and evaluation; do not assign separate project managers and supervision, lack of monitoring and evaluation system of the projects. Hence, the result in the project becomes inefficient and ineffective in overall delivery of the project within the predesigned time and quality.

Graph 3.1 Lack of procurement plan and problems



Source ,Primary Data

As indicated in the above table, the contractors recognized three major factors for the provision of inadequate construction materials. So majority of the contractors that counts 69% of the, indicated that the procurement department procure items without knowing the construction schedule, 18% of respondents replied that the project office procure materials when requested and 13 of the responded that the project does not maintain a minimum stock balance. These indicate that the project office does not have appropriate mechanism in administrating construction material that affects the performance of the entire project.

To triangulate the data collected from the contractor through questioner and interview the researcher collected data related to procurement planning from procurement staffs of the project office and Bofed staff.

3.3 Response of project staffs and Bofed staffs about procurement planning

Questioner/Description	response	Frequen	%
		cy	
Presence of separate plan for housing construction	Yes	26	100
	No		
Completion of construction on agreed time	yes	1	4
	No	25	96
Presence of schedule for procurement material that indicate when and how much is delivered to contractors	yes	20	77
	No	6	23
Having schedule for construction materials that consider the entire work schedule of contractors	yes	22	85
	No	4	15
Involvement of users departments on preparation of procurement plan	yes	5	19
	No	21	81

Source –Author survey, 2015

Construction of housing has its own phase and it passes multiple steps. So it needs a separate procurement plan that fulfills its phase. According to the above table, even if there is separate procurement plan for housing projects 100% of respondent's replied that it is prepared only by the procurement planning officers, without the participation of user departments. That means procurement department prepare procurement not to fulfill user department plan rather for its own concern. Procurement plan without including all the necessary information from responsible department undermine the content of

procurement plan and makes it difficult for implementing of the project. As shown in the above table 77% of the respondents replied that existence of plan with time schedule and the quantity of the construction materials required by contractors. On the other hand, as the researcher reviewed the procurement department documents, the contract department gives the quantity of construction materials that contractors needed, but they ever submit time schedule to the procurement department.

The respondents from construction department agree that, the procurement process takes longer time than necessary due to absence of a well prepared procurement plan. This may be also caused by getting wrong source due to unplanned procurement and at the same time unavailability of the items in the local markets for those needed to source from abroad. The other factor can be submission of incomplete requirements from user departments to Procurement department.

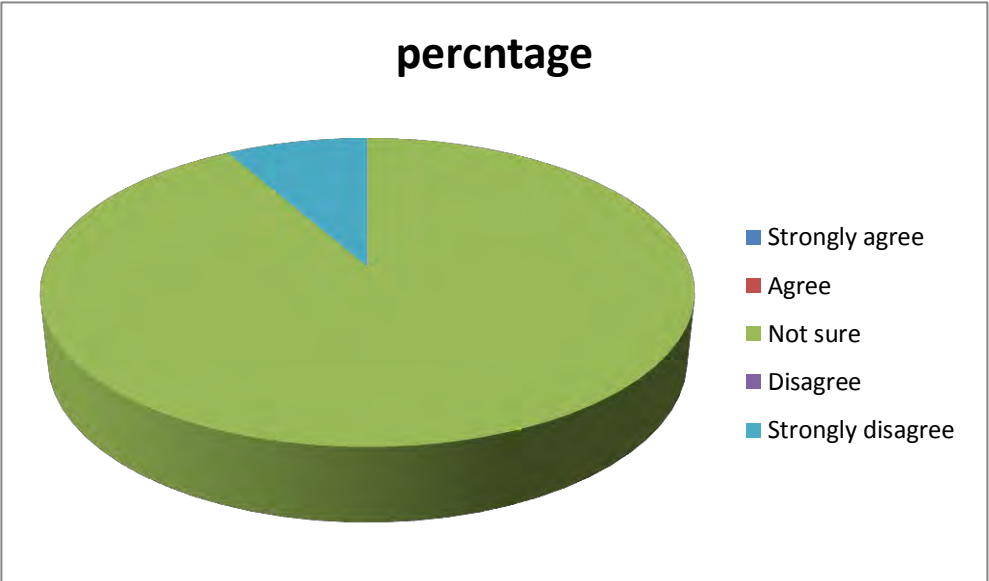
The respondents also agreed that procurement plan is an important tool in Project office as it assists the organization to conduct its activities effectively and efficiently hence meeting the intended objectives.

To triangulate the data the researcher reviewed the procurement related reports of the project office at Bofed .The document reviewed clearly showed that the procurement department of AACGHPO submitted procurement plan and report to Bofed with the format annexed at the ends of the procurement directive. However, the plan of AACGHPO does not match with their report.

Procurement planning and its implementation in the project office is more affected by the lack of cooperation between Procurement department and user department because, in order for Procurement department to prepare a comprehensive procurement plan it depends more on the submission of schedule of requirements on time from user departments. However, it was also disclosed that lack of support from user departments is caused by lack of understanding of Public Procurement directive which states the responsibility of each section clearly.

The procurement planning packages is very important process in procurement plan that enables the project office to achieve cost effective, time and quality through good cost estimation, properly specify the item to be procured collectively needed for the construction.

Graph 3.2 Showing Integration of the construction department plan and procurement plan



Source: Primary Data

From the graph 3.above, 90% and 10% strongly disagreed and not sure respectively that a procuring unit brings about integration of construction department activities during procurement planning. This shows that procurement planning is prepared only by procurement department which did not include the plan of user departments. In addition, some of procurement experts explained that procurement planning is prepared by two procurement planning officers of the project office based on the bill of quantity prepared by consultant firm and approved by the construction department of the project office. And also the construction officers and contractors explained that the procurement officers' purchased inputs that do not met the work flow of

construction. That means they purchase roof at the beginning of the year and ignore purchasing of materials required for construction of groundwork. This implies that the department purchase inputs randomly not based on time schedule of the contractors. It also indicates that the procurement planning is not prepared in line with the activity plan of the user department.

From the above discussions, it is disclosed that Procurement department does not get good cooperation from user departments in the process of preparation of the procurement planning of the project office. This affects the Procurement department to prepare the annual procurement planning because the plan is prepared by consolidating the schedule of requirements from user departments, so if not submitted as required, procurement plan cannot be prepared properly.

3.4 Procurement methods

Public procurement methods are the procedures used by procuring entities to acquire goods, services and construction works. They are executed in accordance with established procedures set out in the public procurement rules, and detailed in the standard solicitation documents. The procurement department usually uses the approved procurement method on the procurement manual; single source procurement, request for perform, open bid, restricted bidding and request for quotation.

As per the literature part of this thesis, the procurement method should be selected depends on a number of factors including the type of goods or service being procured, the value of the goods or service being procured, the potential interest of foreign bidders and even the cost of the procurement process itself.

3.4 Response of procurement staffs of the project office about procurement methods

Questioner/Description	Responses	frequency	%
Number of construction materials procured by your department	Less than 200	-	
	200-500	-	
	Above 500	26	100%
	Not sure	-	
Frequently used procurement method	Open procurement methods	16	60
	restricted ,	8	30
	two stage ,		
	request for quotation ,		
	request for proposal and direct purchase	2	10
Selection of procurement method	After the approval of requisition	23	88%
	Before the approval of the requisition		
	No idea	3	22
Presence of standard bid document	yes	26	100
	no		
If selection of procurement methods have a negative effect on project implementation	Strongly agree	24	90%
	Agree		
	Not sure	2	10%
	Disagree		
	Strongly disagree		

Source –Author survey, 201

All of the procurement staff indicated in the above table 3.4 replied that more than 500 items are procured by the department for construction of housing project. This indicates that, since the numbers of items procured by the project office are vast in number, it is difficult to easily identify which items are procured or not. On the other hand 88% of them replied that in order to select the procurement methods used by the project office, they use procurement policy declared by Bofed. They also explained that open procurement methods, restricted, two stages, request for quotation, request for proposal and direct purchase can be used by the project office. The selection of any procurement method other than Open Bidding should be recorded in the Records of procurement, stating the reasons and justification for the method selected Public Procurement Manual (2011). As per the procurement support team leader, tendering method gets priority than other purchasing method because the Public Proclamation gives priority for it.

Respondents were asked which method they frequently use in order to purchase materials for construction of condominium, all of them said that open tender method is used mostly. The main reason with this principle is the procurement manual gives priority for it. The team leader agrees that open bidding is the first and foremost procurement method used by the project office but it takes long time to purchase items.

It is assumed that open bidding achieve the avoidance of rent seeking activity. Unfortunately, as per the previous discussion getting best value of money through open bidding is difficult. Besides, the lengthy process, and shoddy material makes the construction challenging and getting best value of money will not be achieved in the near future.

They further explained that bidding method is exposed to Bid rigging [potential suppliers would establish beforehand the bid winner and winning price, other firms would submit noncompetitive bids], Shoddy material [because low-quality supplies and materials can generally be delivered at lower cost than can higher

quality supplies and materials]. Moreover, the procurement support team leader replies that as procuring through tendering involves mass purchase, this makes the inspection, numbering, and purchase return more difficult during item receiving. As well, to avoid bid rigging, intense research on the market and organizational need should be done not to have incorrect solution like primacy giving to open bidding.

Whereas as per the literature part of these thesis selection of procurement methods should depends on a number of factors including the type of goods or service being procured, the value of the goods or service being procured, the potential interest of foreign bidders and even the cost of the procurement process itself.

According to Lynch J, (2013) major disadvantage of open bidding method are: - taking too long time for procurement process, not allowing option of building long-term relationship with suppliers, focuses only on a least-cost solution, suppress innovation, and excessive formalism may limit supplier participation in the tendering process.

According to MoFED procurement manual (2010), any organization that procure goods using National competitive bidding/NCB/ should follow the guidelines for determining completion timescales. Estimated time for NBC is almost 90days.Preparation of bid document take about two weeks and advertisement of the bid needs 3-4 weeks based on the nature of the inputs .Tender opening, tender evaluation, awarding, contract signature, delivery of goods and inspection of goods take the rest of the time. This implies that the procurement process take too long time.

Conversely, according to the procurement officer of the project office, more than 500 materials are purchased for the construction of one condominium house. They are not in manageable size for open bid due to the fact that difficulty in classification of materials at the time of bid notification, in preparing bid document, in checking the quality of materials at the time of receiving goods. This indicates that the project office is facing difficulty in managing procurement.

According to MOFED procurement manual (2010) bids must be accompanied by bid security in the form of cash, cheque certified by a reputable bank, bank guarantee or letter of credit. The amount of such security shall be sufficient to discourage irresponsible bids and shall remain within limits stated in the Directive. On the other hand the potential suppliers have enough market to sell their product, so they do not need engage in such governmental procedures.

According to the respondents, the other method used by the project office is restricted procurement methods. This method is used by the project office after open bid for the procurement have been published at least twice, and the invitation have attracted no bidder, or the bidder or bidders responding to the second invitation to bid have failed to meet the technical requirements set forth by the project office for that procurement.

Under this procurement method, no need of bid security and at least five bidders are invited in order to make it competitive. However, the only difference with the open bid method procedure is method of invention.

As per the discussion in literature part of this thesis, the major advantage of restricted procurement method is it takes short period of time. Whereas the AACGHDPO use the method after failing of two times open bid. That means after 6 months, in order to finish one open bid maximum of 90 days is required. In addition to the questioner data, the researcher reviewed the document from the project office. The document reviewed clearly showed that, the procurement department procures Quartz paint and ceramic through restricted methods. But they use this method after failing two times open bid method. Thus, the project office cannot consume the advantage of time. These shows that, even if the procurement policy is not restricted using of these method, due to the fact that the project office does not make market assessment and identified the number of suppliers in the market.

Conversely the project office purchase cement directly from mugger cement factory and Mesobe cement factory. The reason for selection of mugger cement

from other is, it is best quality producer in Ethiopia and it is government owned Factory.

With regard to Performa procurement method, the procurement team leader explained that, they do not totally use the method for procurement of construction materials .The main reason is the threshold on procurement manual, which is forbidden to procure above 75000.00birr at a time. On the other hand, the manual also says collection of Performa by purchasers is illegal, in order to avoid corruption, instead the procuring entity should invite bidders by using notice board prepared by BoFED for minimum of two days and not more than three days.

According to procurement officers, using of the notice board did not avoid corruption, whereas it enlarge , for the reason that the notice board has no key and one bidder will take the invention and only he and his bests give whatever they need price for the material.

3.5 Response of procurement officer's related to the factors on deciding procurement methods

Questions	Response of procurement officers in the project office		
How important were the following aspects for deciding on the type of procurement procedure that would be used?	Ranks	Frequen cy	%
costs of the procurement process	8	2	
time for completion of the entire procurement process	7	3	
improvement price of the offered goods, works, or services	3	7	
improvement of quality of the offered goods, works or services	6	4	
fairness of the procurement process	1	9	
transparency of the procurement process	2	8	
the number of bids received	4	6	
efficiency of the procurement process	5	5	
the risk of complaints and litigation	9	1	

Source –Author survey, 2015

Within the constraints imposed by the Addis Ababa city government procurement directives, there remains considerable freedom for procuring entity to select the procedure used for each purchase. Given the experience and

ranking of objectives, the choices made by procurers convey information on what factors are rated most important by project office and on what the advantages and disadvantages of particular processes are.

This isn't entirely a free choice. Regulatory constraints are important in structuring the decision and various structural and market characteristics have an impact.

In this section researcher investigate how purchasers rate the influence of different factors on their choice of procurement procedure.

Respondents were asked to rate nine factors that may influence their choice of procedure.

The data collected through questionnaire indicated in the table 3.5 reveals 9 more important factors in deciding public procurement methods and their contribution on the efficiency of public procurement process and cause of delay in provision of construction materials for housing project on return ranked by procurement process were 1st fairness; 2nd transparency; 3rd price improvements; 4th number of bids; 5th efficiency; 6th Quality improvements; 7th Time; 8th Cost; 9 Risk of complaints.

Fairness of the procurement process and transparency is considered very important by project office. Respondents explained open tender procurement method is used mostly in order meet the two criteria.

Achieving quality improvement is considered important, and slightly more important than price. Price competitiveness is considered high or very high by project office across all types of procedures.

Procurement process costs are not important when selecting a procedure according to a large number of respondents. On the other hand, the efficiency of the procurement process is seen as important. All types of procedures rate high in terms of efficiency with little noticeable differences among them.

Time efficiency is seen as more important than costs when choosing a procedure. Respondents in relation to direct procurement procedures find this to be even more important.

When the project office choose the open procedure puts more emphasis for competition. The project office put much emphasis on the risk of litigation. This is particularly pronounced in restricted and open procedures, while somewhat less so in other methods. Quality, risks of complaints and timeliness are all seen as important for project office whenever they select restricted procedures To triangulate the data collected from the Procurement officers through questioner and interview the researcher collected data from contract administration of the project office that are related to Procurement methods.

3.5. Procurement Contract Management

Different procurement practitioners identified that procurement contract management is a vital aspect for the both the procurement department and the organization as whole.

As per Greve.C 2007 it is common that the very aim of purchasing contract is to ensure that stated terms and condition are provided to the required standard, within the agreed time and achieve value for the paid money. It is expected that around 5billion birr per year are spent through procurement of construction input in the project office.

Table 3.6 Response of procurement department staffs that shows the procurement contract performance of project office

Description	Response	Frequency	%
Presence of standard contract document	Yes	10	100
	No		
support by the legal department upon the signing of the contract	Yes	2	20
	No	8	80
suppliers delivered the materials as per the agreement	Yes	3	30
	No	7	70
If no the possible reasons	Shortage of the material in the market	5	50
	Hard currency problem to import goods	2	2
	Custom authority related problem	3	3
	Carelessness of the supplier		--
rating the contract administration management in your department	Unsatisfactory	9	90
	Marginal		
	Satisfactory	1	10
	Very good		
	Outstanding		

Source –Author survey, 2015

All respondents replied that more than 200 contracts are managed by their department. These imply that it is not easy to manage it. They further explained that there is internal problem that means, there is no short mechanism to find out which supplier is successful or not, no electronic

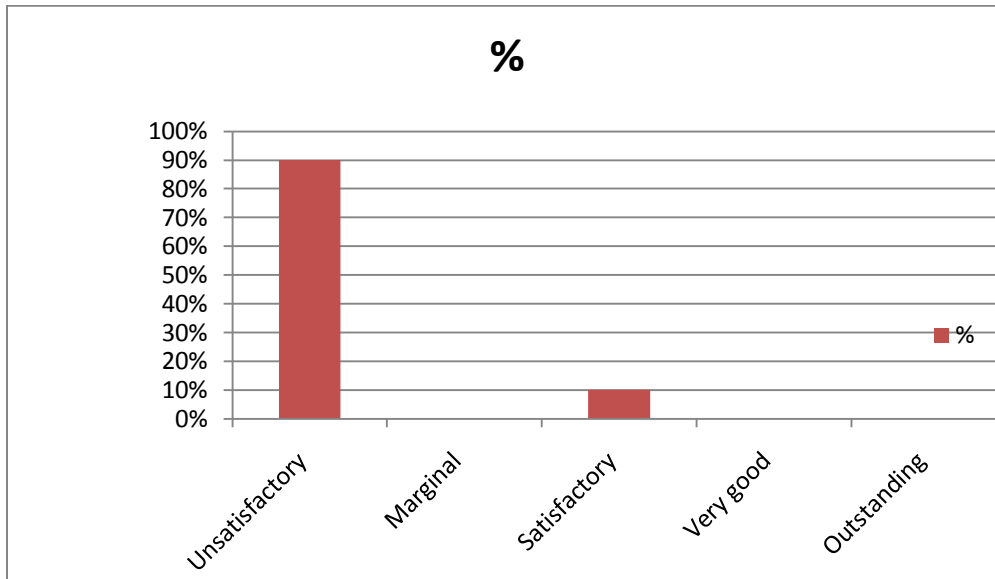
recorded to control 200 or more suppliers since they purchase more than 500 items at a time.

On the other hand respondents were asked the presence of standard contract agreement document.80% of them replied that the department have a standard contract agreement document, which is also part of the bid document. This implies that the supplier is informed about the contract agreement up on the bidding process.

In addition the respondents were asked if they faced problem due to lack of skill and knowledge in understanding legal terminology in contract agreement. In these case 80% of them replied that they never faced these problem, while 20% of them faced problem. And they also replied that legal department is not in the position to support them, since legal department is not well organized to manage each procurement contract management.

On the other hand from the table 3.6 respondents accounted 70% replied that suppliers fail to deliver the items as per the agreement. As indicated in the table participating on tender without having on stock, lack of hard currency problem to import goods and long process of custom authority considered as a majorreason for the failure of suppliers. In addition, 80% of them replied that when dispute happen, it is solved through utmost good faith. The Project office maintains suppliers by writing supporting letters to National Bank of Ethiopia and Ethiopian Revenue and Custom Authority in order to get priority.

Graph 3.3 showing the performance of contract management In AACGHPO



Source :Primary data

To understand more about the contract management, respondents were asked about the performance of contract management in AACGHPO.

From the above graph, it is possible to realize that the purchasing contract management is deprived. 90% of the respondent replied that the contract management is below satisfactory. This implies that the authority is not certain of getting the procured items as per standard within agreed period, best value of money and the like.

Contract management plays a significant role in ensuring effective performance of contract leading to projects finishing on time, quality is maintained and budgets are controlled to avoid project cost overruns. But more importantly, the respondents observed that contract monitoring and control helps corrective measures to be taken in a timely manner by project implementers and the top management to avoid any potential project failures.

3.6 Procurement Strategy and policy of the Addis Ababa City Administration Housing Development Project Office/ AACGHDPO /

Table 3.7 showing the response of project office staffs and Bofed staff about the procurement policy

Description	Response	num ber	percent age
The presence of procurement policy, directive and manual	Yes	26	100
	No		
Appropriateness of the policy to the project office	Yes	5	19
	No	21	81
If the current procurement directive have a negative effect on project implementation?	Yes	21	81
	No	5	19

Source –Author survey, 2015

As indicate in table 3.7, regarding the presence of procurement policy all of the respondents replied that the project office use the procurement policy declared by City Administration of Addis Ababa on Proclamation number 17/2002 which is published in Addis NegaretGazta number Tekemet 30/2002. Moreover, 81% of the respondents replied that the policy does not support the corporate strategy and the policy is prepared for all entities organized under the city government ,not include sector specific issue and the project office have no autonomy to revise it. On the other hand 81% of the respondents replied that the current procurement directive have a negative effect on the project implementation. The officers raised one example that, the proclamation gives priority for open tendering methods of procurement and it has to long process. So that it needs extensive time which has an adverse effect

on construction of houses on time. However, open tendering method is the most economical and efficient method of procurement if the procuring entity managed the procurement with plan. It enhances competition between bidders (competition in quality and price) this helps for achieving value for money in public procurement and encourages innovation on the contractor or supplier side. On the other hand, procurement staffs of Bofed believe that the procurement policy is appropriate for that project office. They further explained that, it is more flexible for all government originations in the city if they properly understand it. In chapter two of this thesis it is identified that the procurement should support corporate strategy. In doing so the procurement policy should be prepared based on the nature of the procured items.

3.7 Procurement Performance Measurement of the project office

This part assessed the performance of procurement department with the most common parameter, right quality, right time, right price, right place and right quantity. In order to have clear and better data for the above parameter, the researcher use questionnaire and the respective finding are presented below; Thus, based on the questioners, the researcher assessed the performance of the procurement department in line with the stated 5R's.

Table 3.8 shows the performance of the department in terms of procurement with the 5R's

Sr no	Items	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	Right quality	15(9%)	30(18%)	25(15%)	86(52%)	10(6%)
2	Right time	20(12%)	13(8%)	8(5%)	66(40.%)	58(35%)
3	Right price	38(23%)	63(38%)	36(22%)	15(9%)	13(8%)
4	Right source	17(10%)	41(25%)	100(61%)	7(4%)	
5	Right quantity	26(16%)	91(55%)	28(17%)	15(9%)	5(3%)

Source –Author survey, 2015

According to the above Table it shows that 68% of the respondents either disagree or strongly disagree with the purchasing department performance of purchasing the right quality. This is about more than two third of the respondent unhappy with the quality of the material purchased by procurement unit and thus, it suggest that there is poor performance with the procurement department. Having this in mind, the project office is built houses by using the procured material. Moreover, as per the researcher observation, enormous amount of procured material are stored in the project office stores (either in the warehouse or stock yard). The procurement support team leader elaborate the situation as one of the main reason to accumulate many materials in the store is that the quality of the procured items does not fit for the intended purpose. He suggested that the main cause is the material are produced through open bid and close follow up and inspection of quality are difficult.

Thus, whatever strategy, process and goal are set, the right material and economic use of the resource is critical for the project office to build houses for the public.

For the case of procuring with the right time, the respondent replied that 75 % of respondents either disagree or strongly disagree with the procurement of the right time. Conversely, 25 % respondents replied that the procurement unit purchases the requested item with the right time. Hence, it is also possible to realize that there is a difficulty with regards to the time taken to procure the material. Besides, according to the procurement support process team leader, the main reason for the delay of purchasing is that most suppliers engaged in to a contract of purchase with having minimum or no stock. After the contract, they may need additional time to supply the material. Beside the extended procurement work flow makes the time taken longer than it is expected.

Thus, it is possible to understand that the time taken to procure the material is too long. Since each department achieve their goal with the supplied material, the delaines of supplying the material makes them not to achieve as per their own time plan. Primarily, the public are not getting the authority's service on time. This might be also a big challenge for the authority which needs immediate solution.

Furthermore, the table shows that 83% of the respondents assume that the procurement department purchases the requested material with the right price even though 9 and 8 % of respondents disagree or strongly disagree with the price enactment. According to the procurement support process team leader and the procurement officer, since most of the purchases are made through open bidding, the question of fairness regards to the price has been tackled even though some limitation are raised regarding open bidding.

The response shows that the price spent for the material deserve most of the time. This may be right as most respondent and the procurement officer assume that open bidding is the factual procurement method to get the reasonable price as it is decided after fair and intense competition. However, the right price does not guarantee the right quality.

The above table also shows that more than half of the respondents are indifferent for the instance of right source which is 97 %. This may be either the respondents have no idea about each source or lack of comparison

expertise regarding the sources. As per most of the respondents, who incline to the positive and negative, are from procurement unit. In any case, 42% of respondent assume that the procurement unit purchase from the right source and 3% assume that it is not purchased from the right place. The team leader and the procurement officer also assume that the procuring process tries to address every range of supplier and suggest that it is fair in addressing the right source. Thus, it is possible to understand that the department has no significant problem regarding procuring the right source. Nonetheless, it needs further investigation regarding the procurement of the right source.

Finally, the table shows that the procurement department has no significant problem regarding the purchase of right quantity. 71% of the respondents replied that they are either agree or strongly agree that the procurement unit purchase the requested material with the right quantity. According to the procurement officer, even though some specific item may not totally found with the current market and few suppliers are not supplies as per the agreement, the department is purchasing the entire requested item. Only 14 % of respondents assume that the department is not purchase with the right quantity.

Chapter 4

Conclusions and Recommendations

4.1 Conclusion

The broad aim of this study is to critically analyze and assess the contribution of effective public procurement management system for the success of Addis Ababa city government housing development project office. To aid the attainment of the objectives of the study, a survey of the available literature that was undertaken is presented in Chapter two. The chapter therefore provides the theoretical grounding that forms the foundation of the study, procurement system. Based on the literature review, the empirical data are presented in chapter three. Thus, the researcher tries to conclude the following main points,

1. The very aim of the study was to critically assess and analyze Public procurement management system in construction of condominium housing. In other words, it aimed at identifying the major problem of procurement process under the current procurement policy, proclamation, directive or manual.
2. To aid the attainment of the objectives of the study, a survey of the available literature that was undertaken is presented in Chapter two. The chapter therefore provides the theoretical grounding that forms the foundation of the study, procurement system. Based on the literature review, the empirical data are presented in chapter Three. Thus, the researcher tries to conclude the following main points,
3. Many authors identified that Procurement planning is vital in procurement process. It is a process of determining the procurement needs of an entity and the timing of their acquisition and their funding such that the entities operations are met as required in an efficient way. All the findings of the study show that there is no good cooperation between Procurement department and user departments in preparation

and implementation of the procurement plan. Another issue from the findings is that user departments do not know what procurement planning is and its importance to the project as they think it is the responsibility of the Procurement department. Lack of understanding of Public Procurement policy and its Public Procurement Regulations by user department was also observed from the findings.

And the project office cannot get the benefit of procurement planning, timing and efficiency in public fund. This is because there is communication gap between user department and the procurement department and also knowledge gap of procurement officers.

4. Public procurement methods are the procedures used by procuring entities to acquire goods, services and construction works. It promotes the basic principles of procurement, value for money, transparency, accountability, competitiveness and responsibility. The project office procures more 500 items for one house at a time but .Open bidding method is used by AACGHDPO mostly which is highly exposed to bid rigging , costly for management, taking long period of time and leads to absence of permanent suppliers, though it is best to make the procurement process fair, transparent. And restricted method is used by the project office which is highly exposed to corruption but it is best with regarded to time Direct procurement methods are used by the project office for procurement of cement. It is good since local producer of cement are limited and capacity of production .Besides, the department is not using electronic means of communication to ease the purchasing process.

5. Successful contract management and completion is often defined, as procurement of the right item, in the right quantity, for the right price, at the right time, with the right quality, from the right source. The finding of the study shows that there is Contract management problem in the project office. There is two types of contract management problem which are external /from supplier side/ and

internal /from organization side/. From organization side, there is no organized contract management system, except the contract is signed by the supplier and the project office to deliver the goods, there is no other short mechanism or electronic recording to control whether supplier deliver as per the agreement or not. From the supplier's side, lack of hard currency in the country, supplier signed the contract without having stock at hand and long processes in importing goods are the major problems.

6. A sound public procurement system needs to have good procurement laws and regulations since it have a great impact on its efficiency. The finding of the study reveals that procurement department does not have its own procurement policy which is aligned with project goal. The policy used by the project is prepared for all organizations in the city, which means the policy is not in line with sector specific issues.
7. The department perform well enough in the area of purchasing the right quantity, and price. However, the department enacts poor performance in the area of procuring with the right quality and time.

4.2 Recommendation

- I. AACGHDPO should have to prepare its own procurement policy which should align with the corporate strategy and the nature of the procured items.
- II. Procurement planning should be prepared in collaboration with the user department .it should be based on time schedule of the construction.
- III. The project office should focus on Procurement methods that encourage long term relationship.
- IV. The project office should make a market assessment on the price of goods and use fixed price procurement methods in order to avoid the length process of procurement.
- V. The project office should use electronic recording in order to control contract management.
- VI. The project office should directly purchase from Ethiopian manufacture in order to address the issue of hard currency and custom duty.
- VII. The procurement department should do to meet the advantage of right quality and right time in collaboration with concerned body in all procurement process especially at the planning stage and the procurement policy.

Suggestions for Further Research

The immediate benefit of this research study was to identify whether procurement has an impact on construction of condominium housing. Recommendations for further research that could broaden the understanding of management included below.

- ✓ Material management in AACGHDPO
- ✓ The cost of Tendering at AACGHDPO
- ✓ The negative effect of Performa procurement method in selected Addis Ababa City Government Offices
- ✓ Procurement Contract administration in AACGHDPO.

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QUESTIONNAIRE

I. Procurement Department

Dear respondents:

Dear Colleague,

My name is Martha Seife. I am a post graduate student At AAU. I am doing a research in partial fulfillment of the requirement for my degree of Master of Public Management and Policy, entitled Public Procurement Practices Affecting Effective Public Projects Implementation in Ethiopia: A Case Study of Addis Ababa City Government Housing Development Project offices.

I have designed few questioners concerning the process, practice in each step starting from the purchase requisition up to transfer of the requested material to the material management unit. Due to different reasons I only need to analyze procurement of construction materials required for construction of condominium houses. I would be very grateful if you could take a few minutes to fill this question.

Your feedback is very important and your answers will be kept in strict confidence. Therefore no provision is made on the questionnaires for you to write down your name.

Thank you for your assistance.

Respondent's Profile

1. Education level

- a) Certificate or less
- b) Diploma
- c) First Degree
- d) Masters or more

2. Gender

- a) Male
- b) Female

3. Age

- a) 20 – 29
- b) 30 – 39
- c) 40 -49

- d) 50 or above
- 5) Your position in the company:
 - a) Manager level
 - b) Supervisor\ coordinator level
 - c) Senior Officer Level
 - d) Offer level
 - e) Other please specify _____

General Questions

- 6 Is there any purchasing policy and strategy clearly stated and systematically communicated?
 - a)No b) Yes
- 7 The strategy of the procurement unit is strongly aligned with the corporate strategy.
 - a) Strongly agree
 - b) Agree
 - c) Disagree
 - d) Strongly disagree
- 8. Do you prepare a separate procurement plan for housing construction?
 - A) Yes b) No
- 9. If yes, how often you plan per year?
 - A) two times per year b) once in a year
- 10. Are these plans detailed enough and realistic?
 - a) Yes b) no
- 11) Do other user departments participate in procurement plan?
 - a) Yes b) no

12) Does the project office have specialized staff for procurement planning?

- a) Yes b) no

13) Do you believe that procurement planning prepared with Integration of the construction department Plan?

A) Strongly agree

b) Agree

c) Not sure

d) Disagree

e) Strongly disagree

14) Are the project office generally well-staffed, experienced and capable of carrying out the procurement of construction materials?

- a) Yes b) no

15) Does the purchase requisition requested and approved by authorized staff? If not applicable please leave it.

a) Yes

b) No

16) How many types of materials are purchased by your department for construction of condominium from the local market?

- a) Less than 100 b) 200-300 c) 300-500 d) more than 501

17) How do you classify the organization's items for the purchasing process?

A. Based on value of item

B. Based on the nature of the product

C. Based on importance to the corporation

D. Based on the supplier\location of the item

E. Other

If your answer is other (E) please specify

18) How do you range the management of these materials in procurement process?

A) Unsatisfactory

B) Marginal

C) Satisfactory

D) Very good

E) Outstanding

20) The selection of the procurement method better to be set at.

a) Before the requisition approval

b) After requisition approval

21) Do you believe that Procurement methods used have effect on project implementation?

A) Strongly agree

b) Agree

c) Not sure

d) Disagree

e) Strongly disagree

22) Which types of procurement method is used mostly by your department?

a) Open tender

b) Restricted tender

C) Request for Question

d) Two Stage Tender

e) Direct Purchase/Single source Tendering/

f) Request for proposal

23) Do your department makes resources available at all times to the contractors on carry out their duties effectively, efficiently and economically?

a) Yes b) no

24) If your answer for question number 23 is no, what could be the reason?

23) Are there any system or procedures to monitor delivery of procured construction materials to verify quantity, Quality and time schedule?

a) Yes b) no

25) How do you realize the procurement contract management in your corporation?

A) Unsatisfactory

B) Marginal

C) Satisfactory

D) Very good

E) Outstanding

26) How do you rate the performance of the department in terms of procurement with the 5R's?

	Items	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	Right quality					
2	Right time					
3	Right price					
4	Right source					
5	Right quantity					

27)How important were the following aspects for deciding on the type of procurement procedure that would be used?

- a)costs of the procurement process
- b)time for completion of the entire procurement process
- c)improvement price of the offered goods, works, or services
- d)improvement of quality of the offered goods, works or services
- e)fairness of the procurement process
- f)transparency of the procurement process
- g)the number of bids received
- h)efficiency of the procurement process
- i)the risk of complaints and litigation

28) Would you list if you face any procurement related problems which have an effect on effective and efficient functioning of housing project?

More information

28) If you may have more information with regard to consequence of procurement on construction of condominium, please don't hesitate to state:

QUESTIONNAIRE

II. Questioner to contractors

Dear respondents:

Dear Colleague,

My name is Martha Seife. I am a post graduate student At AAU. I am doing a research in partial fulfillment of the requirement for my degree of Master of Public Management and Policy, entitled Public Procurement Practices Affecting Effective Public Projects Implementation in Ethiopia: A Case Study of Addis Ababa City Government Housing Development Project offices.

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Your feedback is very important and your answers will be kept in strict confidence. Therefore no provision is made on the questionnaires for you to write down your name.

Thank you for your assistance.

Respondent's Profile

1. Education level

- a) Certificate or less
- b) Diploma
- c) First Degree
- d) Masters or more

2. Gender

- a) Male
- b) Female

3. Age

- a) 20 – 29
- b) 30 – 39
- c) 40 -49

- d) 50 or above
- 5) Your position in the company:
 - a) Manager level
 - b) Supervisor\ coordinator level
 - c) Senior Officer Level
 - d) Offer level
 - e) Other please specify _____

General Question

6) Do you have work experience as contractor before the housing project office?

- a) Yes
- b) no

7) When did you sign the contract agreement with the project office?

8) What was the contract period of the construction? _____

9) What is the contract performance currently (in percent) _____

10) Do you think that the contract performance is in the right track to complete the construction on time?

- a) Yes
- b) no

11) If your answer on question number 5 is no, specify your reasons

12) Do you get the construction materials on time, right quality, and right quantity?

- A) yes
- b) no

13) If your answer for question no 4 is no, which of the following challenges you faced mostly,

- ❖ Most of construction materials are out of stock

- ❖ Mismatch of supply and demand needed
- ❖ Poor stock management
- ❖ Quality problem
- ❖ Required number of materials would not be purchased
- ❖ Shortage of materials in the market

14) What is the average time it takes you to receive an item you requested?

- a) 1-2 weeks
- b) 3-6 weeks
- c) 7-12 weeks
- d) 13- 20 weeks
- e) More than 6 month

15) How do you rate the performance of the department in terms of procurement with the 5R's?

Sr no	Items	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	Right quality					
2	Right time					
3	Right price					
4	Right source					
5	Right quantity					

QUESTIONNAIRE

III. Questionnaire for contract administration sub process

Dear respondents:

Dear Colleague,

My name is Martha Seife. I am a post graduate student At AAU. I am doing a research in partial fulfillment of the requirement for my degree of Master of Public Management and Policy, entitled Public Procurement Practices Affecting Effective Public Projects Implementation in Ethiopia: A Case Study of Addis Ababa City Government Housing Development Project offices.

I have designed few questioners concerning the process, practice in each step starting from the purchase requisition up to transfer of the requested material to the material management unit. Due to different reasons I only need to analyze procurement of construction materials required for construction of condominium houses. I would be very grateful if you could take a few minutes to fill this question.

Your feedback is very important and your answers will be kept in strict confidence. Therefore no provision is made on the questionnaires for you to write down your name. Thank you for your assistance.

Respondent's Profile

1. Education level

- a) Certificate or less
- b) Diploma
- c) First Degree
- d) Masters or more

2. Gender

- a) Male
- b) Female

3. Age

- a) 20 – 29
- b) 30 – 39
- c) 40 -49

d) 50 or above

5) Your position in the company:

a) Manager level

b) Supervisor\ coordinator level

c) Senior Officer Level

d) Offer level

e) Other please specify _____

7) How many contractors are involved in current projects?

8) How many of them are completed on agreed contract period of time?

9) How many of them are completed behind the schedule and how many of them?

10) Do you have a plan of construction material schedule that indicate when and how much is delivered to contractors?

a) Yes b)no

11) If your answer for question no 4 is yes do procurement department consider this schedule for purchasing of materials?

12) Do your construction materials schedules consider the entire work schedule of contractors?

a) Yes b) no

13) What do you think the problem or constrains of the project office not to deliver construction material on time and all at a time?

14) Do you think the construction materials are purchased and delivered to contractors at the right time, right quality and right quantity?

a) yes b) no

15) If your answer is yes, what do you think the reason?

❖ Supplier problem

- ❖ Length of procurement process
- ❖ Work load on the procurement staff
- ❖ Specification related problem

16) Have you encountered any problem to your contract administration because of the poor performance of procurement?

- a) Yes b) no

17) If your answer for question no 10 is yes, please write

a) Incidence

b)Result

18) How do you rate the performance of the department in terms of procurement with the 5R's?

Sr no	Items	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	Right quality					
2	Right time					
3	Right price					
4	Right source					
5	Right quantity					

QUESTIONNAIRE

Semi structured interview Question for consultant

Dear respondents:

Dear Colleague,

My name is Martha Seife. I am a post graduate student At AAU. I am doing a research in partial fulfillment of the requirement for my degree of Master of Public Management and Policy, entitled Public Procurement Practices Affecting Effective Public Projects

Implementation in Ethiopia: A Case Study of Addis Ababa City Government Housing Development Project offices.

I have designed few questioners concerning the process, practice in each step starting from the purchase requisition up to transfer of the requested material to the material management unit. Due to different reasons I only need to analyze procurement of construction materials required for construction of condominium houses. I would be very grateful if you could take a few minutes to fill this question.

Your feedback is very important and your answers will be kept in strict confidence. Therefore no provision is made on the questionnaires for you to write down your name. Thank you for your assistance.

Respondent's Profile

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- a) Male
- b) Female

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- d) 50 or above

5) Your position in the company:

- a) Manager level
- b) Supervisor\ coordinator level
- c) Senior Officer Level
- d) Offer level
- e) Other please specify _____

General Questions

6) Do you have work experience as contractor before the housing project office?

- a) Yes b) no

7) When did you sign the contract agreement with the project office?

.....

8) From your point of view, how do you evaluate the construction materials procurement system of housing development project?

- a) Yes b) no

9) Do you think the construction materials are purchased and delivered to contractors at the right time, right quality and right quantity?

- a) Yes b) no

10) If your answer is yes, what do you think the reason?

- ❖ Supplier problem
- ❖ Length of procurement process
- ❖ Work load on the procurement staff
- ❖ Specification related problem

11) Have you encountered any problem to your contract administration because of the poor performance of procurement?

- a) Yes b) no

12) If your answer for question no 10 is yes, please write

a) Incidence

b) Result

13) Are there instances that the purchasing unit purchased items for contractors, which are different from request?

a) Yes b) no

14) How do you rate the performance of the department in terms of procurement with the 5R's?

Sr no	Items	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	Right quality					
2	Right time					
3	Right price					
4	Right source					
5	Right quantity					

Interview for AACGHPO Procurement sub process owner

1. What are different types of procurement do you have?
2. How do you classify among different types of procurement?
3. What are the fundamental documents guiding your procurement process?
4. What are the basic objectives of the procurement function?
5. Which of the FIVE RIGHTS of procurement [right quality, right quantity, right price, right time and right source] is/ are given more emphasis in your purchasing process?
6. Do you think the procurement manual gives more emphasis to some of the FIVE RIGHTS of purchasing?
7. Are there ways to evaluate contract administration of the project?

