

ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
DEPARTMENT OF PROJECT MANAGEMENT



Assessment of procurement challenges in implementing Ethiopian Sugar
Corporation projects the case of Kessem Sugar Factory project

A Project Work Submitted to the Department of Project management as a Partial
Fulfillment of the Requirements for the Award of Master of Art Degree in Project
Management

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Addis Ababa, Ethiopia
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Statements of Declaration

I, the undersigned, declare that the study which is being presented in this project work entitled as “Assessment of procurement challenges in implementing Ethiopian Sugar corporation projects the case of Kesseme Sugar Factory project” is my original work, had not been presented for a partial fulfillment for any educational qualification at this university or any other, all the sources used are also duly acknowledged.

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Certificate

This is to certify that Mr. Sintayehu W/Tensay student of M.A. Addis Ababa University School of commerce graduate studies department of Project Management was working under my supervision and guidance for his project work. His project work entitled “Assessment of procurement challenges in implementing Ethiopian Sugar corporation projects the case of Kesseem Sugar Factory project” which he is submitting, is his genuine and original work.

Teklegiorgis Assefa (Asst. professor)

Advisor

Date

Acronyms

ESC Ethiopian Sugar Corporation

KSF Kesseme Sugar Factory

QA Quality Assurance

QC Quality Control

List of tables

Page

Table 4.1.Educational status versus work position of the respondents.....	28
Table 4.2.The impact of procurement challenge on project.....	29
Table 4.3.The influence of procurement challenge on project cost and time.....	30
Table 4.4.Project procurement Challenges performance contractor, sub-contractor, supplier and vendors.....	32
Table 4.5.Project procurement Challenges on quality.....	34
Table 4.6.Factors need to be improved in order to overcome the challenges.....	37

List of figures	Page
Figure 2.1: Modified Conceptual frame work for project procurement practices of ESC.....	22
Figure 4.1: Gender composition of the Participants.....	27
Figure 4.2: Age and Gender presentation the respondent.....	28
Figure 4.3: Respondents' work experience.....	29
Figure 4.4: The performance of the procurement staff and consultants.....	35

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Table of Contents

Content	Page
Statement of declaration.....	i
Certificate.....	ii
Acronyms.....	iii
List of table.....	iv
List of figures.....	v
Acknowledgement.....	vi
Table of content.....	vii
Abstract.....	x
Chapter one-Introduction.....	1
1.1 Background of the study.....	1
1.2 Background of the Company.....	2
1.3 Statement of the problem.....	3
1.4 Research Questions.....	4
1.5 Objective of the Study.....	4
1.5.1 General Objective.....	5
1.5.2 Specific Objectives.....	5
1.6 Significance of the Study.....	5
1.7 Scope of the study.....	5
1.8 Organization of the study.....	6
1.9 Definitions of Key Concepts & Terms.....	6

Chapter two - Literature Review

2.1 Introduction.....	7
2.2 Project Procurement overview.....	7
2.3 The role of project Procurement.....	9
2.4 Project Procurement procedures.....	10
2.4.1. Need Identification.....	10
2.4.2. Planning and Specification of Goods or Services Required.....	10
2.4.3. Sourcing, Awarding, and Supplier Management.....	11
2.4.3.1. Steps in the Sourcing Process.....	11
2.4.3.2. Market Enquiry.....	11
2.4.3.3. Evaluation and Awarding.....	11
2.4.3.4. Placing Orders and Contracting.....	11
2.4.3.5. Progressing/Expediting.....	12
2.4.3.6. Delivery and Return.....	12
2.4.3.7. Payment.....	13
2.4.3.8. Review	14
2.5 Procurement management.....	13
2.5.1 Project contract strategy.....	14
2.5.1.1 Traditional contract.....	14
2.5.1.2 Design-Build, Turnkey, and Engineer-Procure-Construct (EPC) Contracts...	14
2.5.1.3 Build-Operate-Transfer (BOT) Contracts.....	15
2.5.2 Contractor selection.....	15
2.6 Procurement Contract documents.....	16
2.7 Project procurement Challenges.....	16
2.8 How to improve procurement function.....	20
2.9 Conceptual Framework.....	21

Chapter three - Research Methodology

3.1 Research Design.....	23
3.2 Data collection method and procedure.....	23
3.3 Target population.....	24
3.4 Sample Technique and Sample Size.....	24
3.5 Questionnaire Design.....	25
3.6 Validity and reliability.....	25
3.7 Data Analysis.....	25
3.8 Ethical clearance.....	25

Chapter four - Data Presentation, Analysis and Interpretation

4.1 Introduction	26
4.2 Rate of Response to Qualitative and Quantitative Data Analysis.....	26
4.3 Respondents Data Analysis.....	26
4.4 Respondent profile and composition.....	26
4.4.1 Demographic characteristics of the staffs.....	27
4.5 Procurement challenges influence.....	29
4.6 Project procurement Challenges on the performance contractor, sub-contractor, supplier and vendors.....	30
4.7 Project procurement Challenges on quality of the work performed.....	33
4.8 Procurement staff and consultants performance.....	34
4.9 Factors need to be improved in order to overcome the challenges.....	37
4.10 Interview Results and discussion	39

Chapter five- Summary, Conclusion and Recommendations

5.1 Introduction.....	41
5.2 Summary of Findings.....	41
5.3 Conclusion.....	42
5.4 Recommendations.....	44
5.5 Recommendation for future research.....	46
Reference.....	47
Appendixes.....	50

Abstract

The study focused on procurement challenges in ESC. This study was designed to fill the gap by identifying procurement challenges to deliver ESC project on time and within the allocated budget. It sought to answer the questions: What are challenges the project procurement and their influence in the of ESC project in the case of kessem sugar factory project? Consequently, it proposed to achieve the objectives: to assess the challenges the project procurement and their impact in the of ESC project in the case of kessem project and to examine factors need to be improved in order to overcome the procurement challenges in ESC project in the case of kessem sugar factory project. The researcher used questionnaires to collect quantitative data, distributed to purposefully selected respondents from project procurement staffs of ESC and used key informant interview for qualitative data collection for selected project managers, staffs, and procurement managers. Methodologically, this study was designed to be descriptive. The study presented in five chapters each with various sections through which the researcher has tried to discuss the different issues related procurement challenges on the project performance. The key findings of the study were that project procurement function affected by various factors. Among them the performance of main contractor, sub-contractors, suppliers and vendors, the performance of procurement staff and consultants in practicing the project procurement and quality of the work performed and equipment supplied are the major project procurement challenges which affected the performance of ESC Kessem sugar factory project. The findings of this study should be understood and evaluated in light of the limitations of the study. This study is especially helpful to ESC projects and other similar projects. It should be particularly helpful to the project procurement team and project managers whose responsibilities include attainment of the project objective to the desired customer satisfaction. The study recommends to ESC project procurement team and top management to look at the challenges of project the procurement discussed herein and adopts the suggested recommendations including usage of recent technology, standard contractor selection criteria, skilled and experienced procurement staff, organized list of contractor, subcontractor, suppliers and recorded performance in order to overcome the challenges. Further study should be directed to the project procurement for further improvement.

Key word: Procurement challenge, Kessem Sugar Factory, Contractor performance

Chapter One

Introduction

1.1 Background of the study

Mega Construction Projects (MCPs) represent a strategic option towards achieving sustainable development objectives in developing countries (Shore and Cross, 2005). Ethiopian government is now working different construction mega projects aggressively to transform the country economy and the living standard of its people. Sugar corporation projects are one of the mega construction projects being executed to contribute for the development of the country. Sugar Corporation is now working strongly to raise the nation's current sugar production capacity remarkably so that the nation will greatly benefit from the sector. The corporation is currently building ten new sugar factors in beles, kuraz, and Welkayit areas, among this Tendaho Sugar Factory, Kesseme and Arjo-Didessa sugar factories have entered in to regular production in 2017.

According to (Othman 2012), the mega construction projects are complex, risky and challenging. As per the researcher preliminary assessment of the industry; Ethiopian Sugar Corporation mega construction projects are facing several challenges during their execution. The challenges occurred in the plantation, construction of a water dams and sugar cane irrigation canals, construction of facilities (houses and hospitals for employees) and construction of a sugar factory. There was a resistance from the local inhabitant to cultivate the agricultural land for sugar cane. The hot spring which was found during the construction of a water dam which is used for sugar cane irrigation was difficult to manage. The construction of a factory was also taken much time and resource than planned. Procurement challenges are among the challenges which exist in KSF projects.

Procurement can be defined as the purchase of merchandise or services at the optimum possible total cost in the correct amount and quality. These goods and services are also purchased at the correct time and location for the express gain or use of government, company, business, or individuals by signing a contract.

Project procurement can be defined as the acquiring of goods and services for a project from outside the performing organization. It has goals like Supply continuity, developing supply base management, support organizational goals and objectives and developing integrated purchasing strategies that support organizational strategies. The procurement challenges hinder the achievement of the stated objective and will have negative impact on the project delivery.

Procurement management is a process to purchase or acquire the products, services such as simple office items to sophisticated high-tech equipment from outside the organization to perform the work. The performing organization can be either the buyer or seller of the product, service, or results under a contract. (University of Missouri Procurement service, 2004).

Procurement activity is exposed to corruption most of the time. Procurement by its nature deals with the issues of laws, engineering, information technology and others. This makes Project procurement more challenging and more complex.

1.2 Background of the Company

Kessem Sugar Factory is found at Zone Three in Awash Fentallie and Dulecha districts of Afar Regional State, 50 kilo meters from Metehara Sugar Factory and 250 kilo meters from Addis Ababa. It is a project which has a total of 20,000 hectares of land to be cultivated with cane & its plantation stretches to the areas known as Kessem and Bolhomon. The Kessem Dam which has a capacity of holding 500 cubic meters water is the source from which sugarcane cultivation is being carried out. Irrigable land has reached 2,946 hectares while the construction of 20.5 kilo meters of main canal is completed. Currently, the factory has 8,413 hectares of land covered with cane among which 6,000 hectares cultivated by a private company known as Amibara Agricultural Development with which Sugar Corporation has signed contractual agreement.

Earlier the Kessem project was part of the expansion project of Metehara Sugar Factory. It was after the establishment of Sugar Corporation that the project was made to proceed as an independent entity. The construction contractor of this Factory is a Chinese company – Complant. 517 residential and 20 service giving buildings or blocks are constructed.

The Factory making trial production by March, 2017 is now in regular operation. And, it will also be a factory with ethanol and co-generation facilities. The Factory is expected to start

crushing 6,000 tons of sugarcane per day soon which will later on will develop to 10,000 TCD making it capable of producing 153,000 tons of sugar & 12,500 meter cube ethanol a year at the start and when it later reaches its maximum crushing capacity it will produce 260,000 tons of sugar and 30,000 meter cube ethanol annually. Moreover, the Factory out of the total 26 megawatt electric power it is expected to produce through its cogeneration facility, will contribute 15 megawatts to the national grid satisfying its own demand.

(<http://ethiopiansugar.com/index.php/en/factories/kessem-sugar-factory>)

The realization of kessem Sugar factory project faces several procurement challenges. Hence, the study is planned to be conducted my on kessem sugar factory which is now in its commissioning period.

1.3 Statement of the problem

Project procurement is the most critical part in the project. Project procurement includes the processes to purchase or acquire the products, services, or results needed from outside the organization to perform the work. Procurement management also includes administering any contract issued by an outside organization (The Buyer) that is acquiring the organization from the performing organization (the seller), and administering contractual obligations placed on the organization by the contract. (George Belev, et al., 2004). Procuring these goods or services provides several advantages over producing them inside the organization, helping to keep project costs down while still achieving the company's desired objectives. For the success of a project, project procurement activities should be planned and executed properly. Identifying and acting on the procurement challenges will enable to get maximum profit from the project with minimum expense.

The effective project procurement should acknowledge complexity, find the right skills & organize the work, develop a sound strategy, manage timetable effectively, follow sound bid evaluation method and develop a smart, fair contract. Effective procurement requires organized teamwork: authorities, responsibilities, schedule, and resources. (Eduardo Talero, 2004).

In order to achieve the goal of the Ethiopian Sugar Corporation in general and the project objective in particular ESC management has to give emphasis on the selection of capable contractors, vendors and sub-contractors, the conveyance of materials to project site on time and

the management of the procurement. These have to be taken into consideration during project procurement practices in ESC. These challenges hinder the delivery of project outcome on time and will lead to additional cost of the project. The ability of the contractors, vendors and subcontractors has to be evaluated before awarding the contract. There should be standard criteria to evaluate their potential to execute the project. In the case of Kessem sugar factory project, the factory project was not finalized as per the planned schedule. It took long time to deliver the project materials and equipment's to the project site. There is also quality issue complains from the users. This project work paper will study the all the listed procurement challenges in implementing sugar corporation project particularly in Kessem Sugar Factory.

Since ESC is responsible for all the sugar corporation projects, it has to investigate the impact of procurement challenges in implementing the sugar projects.

Therefore, the aim of this study is to identify project procurement challenges in implementing ESC projects along with the facts on ground and the literature view. The outcome and significant of this project work will be considered as an input of guide line for the next sugar project or any project on planning to be set in the next time.

1.4 Research Questions

The study tried to address the following questions.

- What are challenges the project procurement and their influence in the of ESC project in the case of kessem project?
- What is the performance of ESC project procurement staff and consultants in practicing the project procurement?
- What factors need to be improved in order to overcome project procurement challenges in ESC project in the case of kessem project?

1.5 Objective of the Study

The general objective of this study is to identify the factors affecting ESC project procurement, recommends alternatives for the challenges to enable the project to deliver the project outcome on time and with reduced cost.

1.5.1 General Objective

The aim of this project work is to investigate the challenges of project procurement so as to improve project procurement performance.

1.5.2 Specific Objectives

The specific objectives of the study are:

- To assess the challenges the project procurement and their impact in the of ESC project in the case of kessem project
- To investigate the performance of the procurement staff and consultants on practicing the process of procurement and to what extent it is affected the overall procurement process in ESC project in the case of kessem project
- To examine the factors need to be improved in order to overcome the challenges in the of ESC project in the case of kessem project

1.6 Significance of the Study

Identifying and mitigating project procurement challenges contribute to the attainment of project outcome on time and on budget. ESC procurement managers and teams have to identify and mitigate project procurement challenges to bring the intended purpose of the project. The study will add valuable insights to the existing procurement practices and based on the research findings the ESC may improve its existing procurement management practices.

1.7 Scope of the study

The study will begin by reviewing literatures related to procurement challenges in the project. In the study the project procurement challenges in particular Kessem sugar factory will be explored. Procurement can be activity, service or goods. This paper covers only the local goods procurement in ESC. Therefore, this study cannot cover all aspects of procurement challenges in ESC projects. This is due to time and other resource constraints that compelled the researcher not to conduct in other sugar corporation projects.

1.8 Organization of the study

The study is mainly divided into five parts, which are the introduction, literature review, research methodology, results and discussions summary, conclusion and recommendations.

The introduction part provides an overall view of the project work which includes statement of the problem, basic research questions, objectives, significance, scope and definition of terms.

Literature Review part provides the most important and relevant concepts about project procurement challenges. Moreover, this part will explore previous research conducted in this area.

Research Methodology part will deal with the detailed research type, design and approach to gather primary and secondary data, the data collection tools/instruments as well as how the data will be compiled, analyzed and interpreted will be presented in this part. It also proceeds with an analysis of the descriptive statistics on the variables under consideration.

Results and discussions part will summarize the results & findings of the study and interpret and discuss the findings in details. Here, the results of the empirical analysis will be extensively used.

Summary, Conclusion and recommendations is the final part of the study that will present the summarized lessons of the analysis and possible recommendations.

1.9 Definitions of Key Concepts & Terms

Conceptual definition of terms

Commissioning is the assuring of all systems and components of an industrial plant are designed, installed, tested, operated, and maintained according to the operational requirements of the owner or client.

Implementing means carrying out the activities described in the project work plan

Chapter Two

Review of Literature

2.1 Introduction

Procurement is an essential function within every project organization: every project organization needs supply of materials, and procurement is responsible for organizing this. Project procurement can be defined as the acquisition of goods, works and services. This embraces not only purchasing, that is, buying of goods, but it also includes hiring of contracts or consultants to carry out services. . If project procurement carried out badly, materials do not arrive, or the wrong materials are delivered, in the wrong quantities, at the wrong time, with poor quality, at too high a price, low customer service, and so on. Standards required in project procurement are: high quality service, economy and efficiency, and fairness in competition. Thus, a procedure must be followed and is applicable to all contracts for goods and works.

This chapter presents a review of the related literature on the subject under study presented by various researchers, scholars, analysts and authors. By the theoretical review of the study procurement and related issues in procurement, methods of public procurement and procedures are discussed, summarized and presented from the reviewed related literatures. Then the conceptual framework of the Ethiopian sugar corporation (ESC) presented by identifying the frequently observed variables. And finally, the empirical study review, selected previous similar academics studies are analyzed to support this study by comparing with basic findings of the former studies.

2.2 Project procurement Overview

Procurement is the process by which organizations acquire goods, works and services. The procurement cycle involves planning, beginning with needs assessment through needs preparation, inviting offers, contractor selection, awarding contracts, executing and managing contracts, as well as final accounting and auditing. Procurement can therefore be viewed as a strategic component of supply chain management relating to satisfying customer or buyer needs.

According to the Ethiopian Public Procurement Proclamation (No 649/2009), procurement means “obtaining goods, works, consultancy or other services through purchasing, hiring or obtaining by any other contractual means.” The overall tasks of procurement is to obtain goods, works, consultancy services and other services at the right quality, in the right quantity, from the right sources, at the right time, place and price to achieve an organizational objectives.

Project Procurement is the business management function that ensures identification, sourcing, access and management of the external resources that an organization needs or may need to fulfill its strategic objectives. Project Procurement exists to explore supply market opportunities and to implement resourcing strategies that deliver the best possible supply outcome to the organization, its stakeholders and customers. Project procurement applies the science and art of external resource and supply management through a body of knowledge interpreted by competent practitioners and professionals.

Project Procurement is also a process used to acquire goods and services, but what distinguishes project procurement from other forms of procurement are the series of procurement activities carried out during the execution of a project, some interdependent and some not. Project objectives are predetermined primarily in the project proposal, and there are a corresponding set of procurement activities undertaken in accordance with the project procurement plan over a period of time to achieve the project objectives.

Project procurement is dependent on the objectives and goals of the project which it supports. It is a fundamental part of project management because it is crucial to the success of the project that procurement activities are appropriately planned and executed; hence, project procurement planning and strategy development are vital to the implementation and successful outcome of a project.

Project procurement can be classified, based on the sector it served, as public sector project procurement and private sector project procurement. Arrowsmith (2010) defines public procurement as the government’s activity of purchasing goods and services needed to perform its functions. It refers to procurement planning, contract placement and contract administration.

Public sector project procurement supports projects funded and developed to meet the objectives of government, including the provision of public goods and services to the population. These public sector projects (building of roads, bridges, dams, electric power plants, hospitals, schools, ferries, etc.) can be donor funded, government funded, a combination of both, or funded through public private or public-public partnerships; however, regardless of their funding arrangement, their distinguishing factor is that the purpose these projects serve is entirely public. Ethiopian Sugar corporation projects procurement can be categorized under the public sector project procurement since it is funded by the Ethiopian government.

Private sector project procurement focuses on procurement activities that satisfy the requirements of projects done for private sector entities, such as small, medium or large businesses and corporations, and which are primarily profit-making in nature given that their main objective is the monetary benefit of the owners or shareholders of the business.

2.3. Role of Project Procurement

Procurement is a key activity in the project. Procurement can significantly influence the overall success of a project depending on how it is managed. In most project organizations, procurement represents a very large proportion of the total spend and should be managed effectively to achieve optimum value. Procurement works like a pivot in the project outcome/service management turning around requests into actual products/commodities or services to fulfill the needs (Caldwell and Davies, 2009).

In addition, Benslimane and Bernard (2005) discuss that the overall aim and objective of project 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.

Moreover, Caldwell et al (2009) say that there are three important principles of procurement. The first principle is transparency, which provides that all phases in the procurement process are fair and accurately documented. The second principle is that of accountability and it points out that there is need for accountability to financiers, who may require certain rules to be followed when using the money they have provided. Finally, there is the principle of efficiency and cost effectiveness and this principle is about meeting the ‘six rights’ of supply (price, right time, right

quantity, quality services, and delivery to the required places and from the most cost effective source).

2.4. Project procurement Procedures

Shaw (2010) points out that the procurement process can be wrapped into three steps. These are need identification, planning and specification of goods or services required, and sourcing, awarding, and supplier management to facilitate timely delivery.

2.4.1. Need Identification

Procurement is done to desire to accomplish a specific task. Given that resources are always scarce, the task to be accomplished should be important to an organization (Nakamura, 2004).

2.4.2. Planning and Specification of Goods or Services Required

Once the needs have been identified, the procurement department should develop or communicate a plan on how to deliver the service or goods required. The plan must be developed in collaboration with the other functions within the organization, so that it is integrated into the organization's strategy and therefore provided for adequately (Shaw, 2010).

To be able to purchase the right goods or services, the specifications of what the organization needs must be clear. These specifications are used to communicate to the supplier what is needed and what should be supplied. It is therefore important to have clear, precise and accurate specifications. Most organizations have standard specifications for the most regularly procured items and services such as medical and construction (Shaw, 2010).

Thai, Araujo, and Callender (2005) provide that a specification is a detailed description of the design, the service, or materials. It describes in detail the requirements to which the supplies or services must conform. The basic requirement of a good specification is to clearly identify the service or product to stakeholders. The specifications must be clear to all parties. That is the user, procurement and the supplier. Factors to consider in specifying a product include physical attributes, technical specification, and intended use (Thai et al, 2005).

2.4.3. Sourcing, Awarding, and Supplier Management

Sourcing is the process of identifying sources of supply that can meet the project organization's immediate and future requirements for goods and services (Hinson and McCue, 2004). The sourcing process adopted will depend on the situation and on the time available to carry out sourcing. For instance, in a sudden on-set emergency the need to respond quickly to the emergency will mean there will be limited time to gather sourcing information and approve suppliers; therefore, an organization may make use of existing suppliers.

2.4.3.1. Steps in the Sourcing Process

2.4.3.2. Market Enquiry

The process of inviting and evaluating tenders or quotations will vary depending upon an organization's own internal procedures. Nevertheless, the following are considered 'best practices', according to Shaw (2010).

2.4.3.3. Evaluation and Awarding

The evaluation of tenders and awarding of contracts to contractors and suppliers is an important phase of the procurement process (Maurer, 2004). It is the process that determines the actual quality, reliability, delivery, etc. of the goods and services. The procurement department coordinates all the activities.

In addition, Shaw (2010) contended that it is very important for the procurement department to assess and consult on any big price variations, to avoid potential conflict of interest, undue influence, price fixing and favoritism, and to ensure consultative decision making and sharing of responsibilities. Also, the tender box should not be opened by one person only, and the criteria used to evaluate bids should be tested and validated by the committee before reception of bids.

2.4.3.4. Placing Orders and Contracting

After evaluating and awarding of tender, the next step in the process involves placing orders for the goods or services with the supplier, or establishing contracts which need to be sent to suppliers. In emergency situations the approval levels and limits are adjusted, based on an approved process, to speed up the process of acquiring goods and services. Under normal circumstances, the approval processes may be more elaborate. The orders establish contractual relationships between the organization and the supplier (Shaw, 2010).

Important features of a contract or agreement include cost, specification/description, quantity, lead time/delivery time, date of issue, and terms and conditions (including penalties for breach of contract). Place of delivery should also be indicated on the contract (Shaw, 2010).

2.4.3.5. Progressing/Expediting

Once the order is placed and the supplier has confirmed receipt and agreed to the contract terms and conditions, the role and the amount of work that staff in procurement have to undertake will be affected by the performance of the suppliers (Bovis, 2007). It is necessary therefore, for the procurement staff to monitor the progress of orders and the performance of the suppliers. Supplier performance will determine the amount of time and money that has to be spent in expediting orders and the managing of suppliers. To ensure an uninterrupted flow of goods and services, expediting should be a continuous process, especially in emergencies. The continuous monitoring enables the organization to pick out break-down points in the system and quickly identify solutions (Shaw, 2010).

2.4.3.6. Delivery and Return

Lewis and Roehrich (2009) argue that procurement only facilitates delivery through expediting for timely delivery and trouble-shooting returns. The physical receipt and inspection of goods takes place at the delivery point. Procurement only needs to know that delivery has taken place and that the supplier has delivered in accordance with the purchase order and complied with delivery contract requirements.

In addition, whoever is responsible for accepting delivery and inspecting the goods should understand the procedure to follow in the event that there are any problems or discrepancies. For certain goods or commodities an independent inspection company may be used to check the quality of the goods (Shaw, 2010).

2.4.3.7. Payment

When goods or services are received and accepted into stock, procurement then facilitates payment of the supplier by providing necessary documentation to Finance Department. Orders are normally generated in procurement, as the goods are delivered in the warehouses and transported to final distribution points; additional documents are generated in the process to

support transactions. All these documents are finally consolidated to support vendor payments (Shaw, 2010).

2.4.3.8. Review

Shaw (2010) argues that it is very easy to forget the review stage, particularly when there is a lot of procurement activity taking place as in the case of an emergency. Consequently, the review stage is very important and has got three main objectives. These are;

- A review with the original user or beneficiary on whether the original needs they had have been met
- A review of the performance of procurement in carrying out the procurement process, and
- A review of the supplier performance.

In emergency situations, the review step happens much later in the emergency. Emphasis during the emergency is focused on obtaining the goods and services and meeting the needs (Shaw, 2010).

2.5 Procurement management

Project procurement management is the process that ensures that components needed for a project arrive on time and within budget and work towards finishing the project.

Project Procurement covers the complete range of events from the identification of a need for a good or service through to its disposal. Procurement includes activities and events before and after the signing of a contract as well as the general management activities associated with a range of contracts:

- ✓ Pre-contract activities such as planning, needs identification and analysis, and sourcing,
- ✓ Post-contract activities such as contract management, supply chain management and disposal, and
- ✓ General activities such as corporate governance, supplier relationship management, risk management and regulatory compliance.

2.5.1 Project contract strategy

There are different project contract strategies used to accomplish a project. As projects become larger and more complex, there are enormous risks associated with developing complex engineering projects. Risk should ideally sit with the party best placed to mitigate and manage it and the objective is to achieve optimal risk sharing arrangements for all stakeholders. An effective contract strategy should identify the best way of achieving the project objectives and accommodating identified project constraints, funding requirements, risk profile and asset ownership. A contract strategy involves the selection of organizations and contractual policies required for the execution of the specific project. Considering the above points ESC carry out its projects with a less risk to attain its objective. (ESC, 2007)

2.5.1.1 Traditional contracts

In these contracts the Employer has a direct contractual relationship with the consultant and the Contractor. It starts when the Employer appoints the consultant to carry out all the designs and prepare the contract documents, in addition to the supervision at the project implementation. In this type of contracts, there is no contractual relationship between the consultant and the Contractor. One of the main advantages is that it provides the best price for the Employer because it is open competition. On the other hand, this method takes longer time than other newer methods (Tang et al., 2003).

2.5.1.2 Design-Build, Turnkey, and Engineer-Procure-Construct (EPC) Contracts

The idea here is to place the duty to design and construct on the Contractor as a package deal. The role of the Employer is essentially the contract administration. One of the important advantages in the method that there is saving in time by direct communication between the Employer and the Contractor. On the other hand, the Employer will not have independent advice on the construction and therefore a problem in cost and quality may occur (Huse, 2002).

A significant benefit of EPC contracts is that it allows ESC to engage with just one contractor, who will in turn manage all the relationships with subcontractors. This assignment of work can

make it easier for the ESC to oversee the project and evaluate progress based on performance as the contractor carries out the project. This contract arrangement benefits contractors who will have more control over the design and selection of subcontractors.

2.5.1.3 Build-Operate-Transfer (BOT) Contracts

These Contracts have become popular recently especially in developing countries. Since governments in the developing countries mostly have budgetary constraints to initialize large development projects, BOT Contracts offer a unique opportunity for both financier and Employer. BOT contracting is an option for financing the infrastructure and boost the economic growth of the country without direct utilization of government finances. In the developing countries the land is available but no finance is available to make the sufficient development on these lands, BOT can be a valuable alternative (Khan, Jamil and Sattar, 2008).

2.5.2 Contractor selection

Contractor selection procedures are currently used in many countries, and involve many different types of criterion to evaluate the overall suitability of contractors. These are said to include:

1. General, technical, managerial and financial criteria (Hunt *et al.*, 1966);
2. Financial stability, managerial capability and organizational strength, technical expertise and experience of comparable construction (Merna and Smith, 1990);
3. Relevance of experience, size of firm and safety record (Moselhi and Martinelli, 1990).

To this Dennis (1993) adds the criterion of previous prequalification. A review of prequalification records, he maintains, should satisfy both the engineer and the client, in that each contractor should have:

1. The financial strength to sustain the cash flows likely to arise during the project; experience of projects of a similar nature;
2. Competence and plant capacity to complete the project within the constraints imposed by the contract;
3. Technical capability (including human resources) sufficient to satisfy the requirements of the contract;

4. A complete understanding of similar project scopes and ability to absorb subsequent changes;
5. The facilities (testing, quality control, etc.) necessary to endorse assurance of quality;
6. The ability to comply in all respects with health and safety regulations.

The Criteria listed above may vary in emphasis according to the characteristics of the project.

The criteria are also used in the process of shortlisting: i.e. where the number of applicants for prequalification is so great that the number of contractors has to be reduced to a shortlist. Here Merna and Smith (1990) found that the type and size of contract together with regional and physical location were used as criteria in addition to the quality and quantity of technical and managerial expertise available.

Russell and Jaselskis (1992) found that contractor failure is more likely to occur when an owner spends minimal effort evaluating a contractor's competence to perform the work prior to accepting the contractor's bid. Furthermore, contractor failure significantly increases the final project cost and schedule duration.

2.6 Procurement Contract Documents

The contract controls the relation between the Employer and the Contractor. As project construction works are often complex, the contractor is involved in many hundreds of different operations using many different materials and manufactured items, including employment of a wide variety of specialists. Thus, these documents which define the contract are complex and comprehensive. The task of preparing them for tendering therefore warrants a close attention to detail and uniformity approach (Twort and Rees, 2004). Another reason to use contract documents is related to unexpected problems which may occur at any stage of the construction period, which usually cause delays and additional costs, the contract documents declare what to do at any stage and the consequences (Totterdill, 2006).

2.7 Project procurement Challenges

Project procurement is central to the delivery of project services and project performance (Dzuke & Naude, 2015). Various scholars identified the following key problems in the public procurement system: (1) weak and outdated procurement policies and processes, (2) a lack of procurement knowledge and skill, (3) embedded fraud and corruption and (Osei-Tutu , 2012)

observed that the lack of appropriate skills and specialized knowledge are significant problems in project procurement, as procurement officers are required to provide value for money and take into account strategic considerations.

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

In South Africa, despite the reform processes in project procurement challenges identified in the project procurement practices included non-compliance with legislation and policies related to procurement and supply chain management, as well as tender irregularities (Ambe & Weiss 2012). Livhuwani , (2012) found that the project procurement in Limpopo was experiencing challenges of poor service delivery as a result of insufficient training, lack of experience and inadequate qualifications. This resulted in the failure of the project procurement personnel to interpret policies, acts, rules and regulations that govern project procurement management, and they tended to award contracts to unqualified service providers who bribed public officials via monetary reward.

A study conducted by Musanzikwa, (2013) reveals the following challenges in project procurement: (1) delays in making decisions, (2) corruption and (3) the need to comply with standard project procurement procedures. These resulted in major delay in government projects. Other studies reveal problems such as lack of procurement ethics (Shaw 2010), incompetence – attributed to lack of qualifications and/or training (Ameyaw & Osei-Tutu, 2012).

According to (K. Poddar, 2008) a national or international project the procurement challenges are two types: 1) Technical and 2) Non-Technical or Cultural. The technical and non-technical

challenges are various. Whereas the challenges associated with the technical part are similar irrespective of whether they are for a national or an international project, the challenges associated with the non-technical part deserve special attention and leadership skill sets. Some of the important procurement challenges in projects are:

- Developing a realistic project schedule and budget:

For this activity one has to understand the client's culture. Depending on the country and the client's culture some could be more tolerant than others. In general most of the projects are schedule driven and adherence to schedule becomes very important.

- Implementing an appropriate quality assurance (QA) and quality control(QC) scheme :

A rigorous QA and QC procedure need to be developed so that the project performance is monitored appropriately. An open discussion with the team members with appropriate level of involvement and input from the client are essential to establish a detailed QA & QC procedure

- Selecting and managing the subcontractors and sub vendors:

Caution should be taken in selecting subcontractors and negotiating subcontract languages. This requires a thorough knowledge of the local government and non-government requirements including the local content requirement. While choosing sub vendor their experience and capacity to manufacture the equipment and deliver them on time to be considered.

- Implementing a disciplined approach to engineering (from the conceptual stage to detailed engineering)

For a typical project involving Engineering, Procurement and Construction (EPC), the Total Installed Cost (TIC) is split between the above three phases 10 to 20% , 35 to 45% and about 40 to 50% respectively. Therefore the common notion is to focus heavily on the Procurement and Construction phases of the project because Procurement and Construction are two significantly higher cost components. However, the cost influence of Engineering on an EPC project most

often could be very significant. Such importance needs to be taken into account at the very beginning of the development of project execution plan.

Following a rigorous systematic methodology and gated approach during engineering phase, Engineering helps to avoid any adverse impacts on the remaining two significantly higher cost components of the project viz., Procurement and Construction. Once the Engineering phase is completed the influencing factor of the opportunity to minimize cost overrun as well as project schedule of the overall project gets significantly minimized often to complete elimination.

- determining the Environmental, Safety and Health (ES&H) issues & requirements and integrating them in well-planned project execution strategy:

Success of this activity is dependent on the technical knowledge as well as requirement of local government and other non-governmental entities where the project is located. Special attention to and consideration of these requirements and integrating them ahead in the project execution planning is very important for any international project

- Understanding and managing risk factors associated with international projects:

These risks could be of different nature: Technical risks especially when the project involves new technologies, or a first of a kind situation without any prior experience of the kind. There could be Engineering and other performance risk involving construction performance. For international projects specially, the interface management risks with client, especially with a first time international client and/or any major supplier in overseas location could be a big challenge. Other type of risks could be in working with sub-contractors. A few other risks to pay attention to will be managing suppliers especially new/unproven ones, traffic & logistics risks including heavy haul to the project construction site, expatriate content, hazardous operations risks, risks for customs & duties.

Prior knowledge and understanding and proper proactive recognition of these risks in the project execution planning are critically important for successful execution of any international project

- Understanding the in-country rules, regulations and requirements

A thorough understanding of these is important even before a project bid is prepared, let alone during the project execution stage. Very often that becomes a catch up effort and creates a lot of difficulties to assimilate and implement.

2.8. How to improve project procurement function

Lewis and Roehrich (2009) point out that in order to improve project procurement, practitioners should guard and mitigate against procurement risk, understand the market, build relationships with suppliers, meet needs in a timely manner and constantly monitor performance to improve project outcome / service provision. It is also vital for project organizations to have clearly defined project procurement policies that are well understood. Project organizations should always ensure that sufficient procedures are done to check that work has been satisfactorily done before payment is made (Shaw, 2010). Project organizations should have clear written and defined guideline.

Shaw (2010) says that procurement policies will vary from organization to organization but are the organizational rules and regulations governing the procurement function. The policies determine how different aspects of procurement will be carried out in the organization and how people working in procurement should behave.

Moreover, internal control assurance in the most common form exists as the internal audit department, and can offer the board independent and objective assurance that the internal controls and procedures are being complied with. Internal audit reports should be made to the Chief Executive rather than a functional director to assist in maintaining the independence and objectivity of the service (Shaw, 2010).

In addition, companies should always receive value for money. In the past organizations have usually determined that the value for money was achieved by accepting the lowest price tendered by suppliers of goods and services. Lately there is an emphasis on the basis of the overall value for money offered, including the consideration for nonmonetary factors and not on the basis of lowest price alone (Shaw, 2010).

It is also essential that the company compare itself with other comparable organizations partly to test that value for money is being achieved, but also as part of the process of seeking continuous

improvement and identification of good practice. This is often done through a benchmarking process (Maurer, 2004). The primary purpose of benchmarking is to improve the performance of the company by testing how it is performing, whether it is achieving better performance and the rate at which its performance is improving. Without measuring the company's performance, it is not possible to check whether the targets that the company has set are being achieved. Benchmarking is therefore critical to the process of continuous improvement. The company among other indicators can use such comparisons as cost, time, and quality (Shaw, 2010).

Finally, procurement must be seamlessly integrated with the other aspects of Logistics and functions within the organization, such as Warehousing, Distribution, Finance, and human resources. An integrated approach to service delivery will no doubt contribute to the timely, efficient and effective delivery of humanitarian assistance. Clear communication lines, timely flow of documentation and constant feedback will facilitate the procurement process (Shaw, 2010). The involvement of the Logistics function in assessments will enable Logistics to plan for the delivery of services, but for Logistics to succeed, the procurement plan must be well integrated and visible in the overall response plan. In emergency situations, easily accessible logistics preparedness and response will help to fast track the development of a response plan, tailored for a specific situation (Shaw, 2010).

2.8 Conceptual Framework

The project work attempts to establish factors that influence project procurement performance at the ESC. The aspects of performance of main contractor, sub-contractors, suppliers and vendors, quality of the work performed and equipment supplied performance of procurement staff and consultants in practicing the project procurement are the independent variables while project procurement performance is the dependent variable. The conceptual framework is shown below

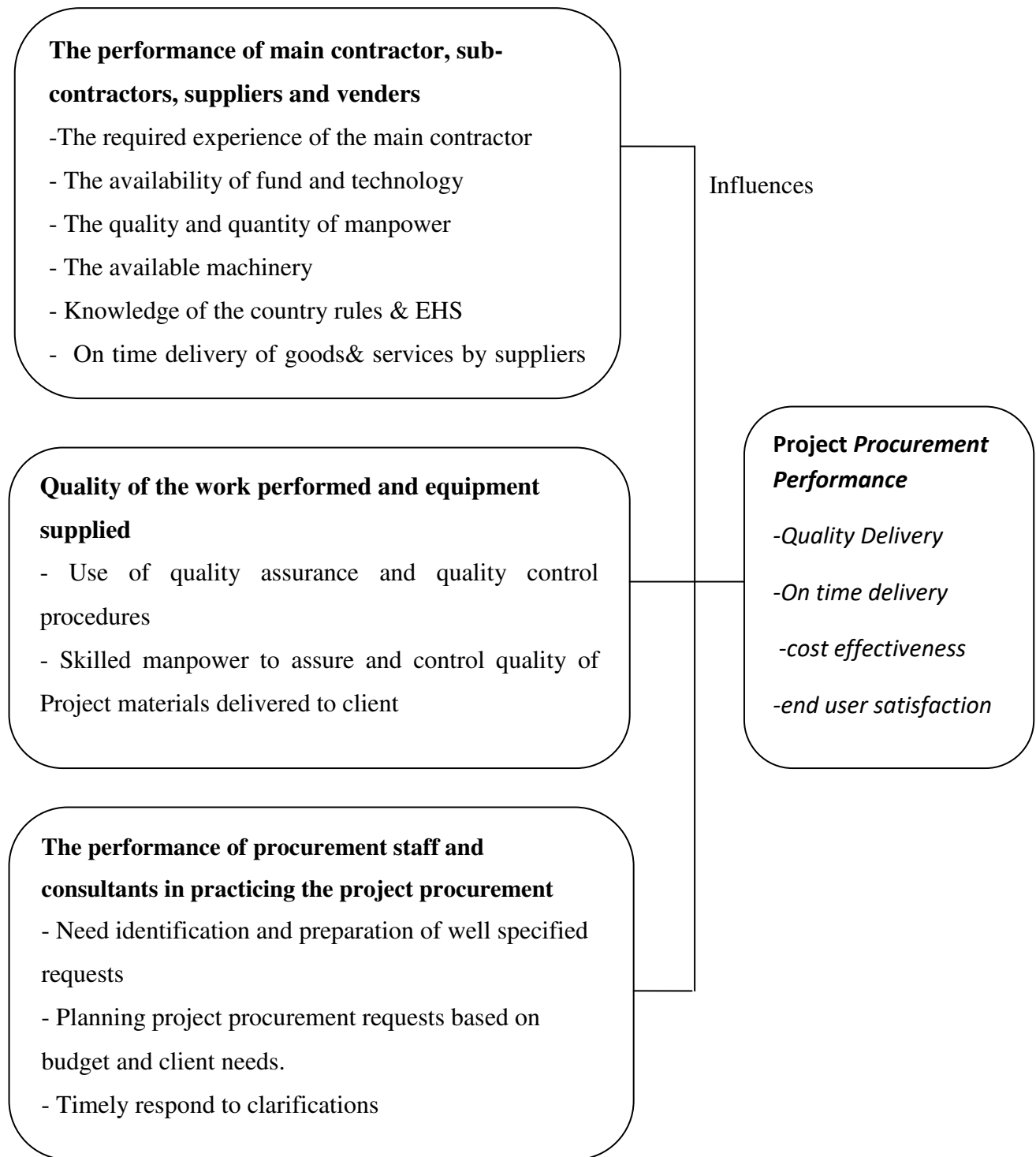


Figure 2.1 Modified Conceptual frame work for project Procurement Practices of ESC.

(Source: Adopted from Kiage 2013)

Chapter Three

Research Methodology

This chapter describes the methodology that is used to carry out this study. It comprises the research design, population and sampling strategy, the data collection procedures, the source of data, the instruments used for gathering data, data analysis, issues related to validity and reliability, and ethics and the statistical techniques used to analyze the data will be discussed.

3.1. Research Design

This research is intended to clearly identify the procurement challenges in implementing ESC projects in particular for Kesseem Sugar Factory. Therefore the study design is a descriptive type. The approach followed for this research is a mixed approach where both qualitative and quantitative methods are used. Qualitative & quantitative approaches are employed and data will be collected through interview and using questionnaires from the project manager procurement director, procurement staff and project staffs. Both primary and secondary data used as a source and utilized for purposes of addressing the research objectives. Secondary data was gathered from websites, journals, brochures, books and other documents.

3.2. Data collection method and procedure

The data collection instruments are designed in such a way that captures both qualitative and quantitative data.

Two types of instruments were employed in this project work,

- A semi structured interview guide designed by the researcher which was used to frame the in-depth interview with project manager, procurement director and procurement staff.
- Self- administered questionnaires take purposely selected staffs from procurement, finance and project technical team of KSF project. The questionnaire has 36 close ended questions which identifies the observed procurement challenges and their influence in ESC project. The questionnaire has been designed specifically to be completed by a respondent without intervention of the researchers while collecting the data.

In order to have a proper understanding of the project procurement challenges, the various sources such as the ESC project procurement manual, official websites and existing procurement document were also reviewed.

3.3 Target Population

ESC carry out its projects in land preparation for sugar cane, irrigation dam construction, housing and facilities (health and educational) for employees and sugar factory building. Since there is lack of time to include the entire ESC project staffs only Kessem sugar factory construction project staffs are selected as a unit of analysis for this study. Target populations are kessem Sugar factory project staffs. The samples are taken from the procurement, finance and project technical team of KSF project. Using purposive sampling the researcher has selected thirty samples from Kessem Sugar factory staffs for the study.

3.4 Sample Technique and Sample Size

According to Saunders et al. (2007), sampling techniques provide a range of methods that enable a researcher to reduce the amount of data needed to collect by considering only data from a subgroup rather than all possible cases or elements. Purposive sampling technique was used to seek the views of the respondents on the challenges procurement in implementing Kessem Sugar Factory. Purposive sampling method was used because the criterion chosen allowed the study to focus on people who would be most likely to experience, know about in procurement challenge and involved in project procurement in KSF project.

Kerlinger (1986) explains that purposive sampling as a type of non-probability sampling, which is characterized by the use of judgment and a deliberate effort to obtain representative samples by including typical areas or groups in the sample. A purposive sample is one in which a researcher tries to create a representative sample without sampling at random. In other words, purposive sampling targets a particular group of people. The importance of purposive sampling lies in selecting information rich-cases, for in-depth analysis related to the central issues being studied.

In this project work the researcher used interview method to collect data from key informants project manager and procurement director. Questionnaire distributed to collect data from Kessem sugar factory procurement, finance and project technical team of KSF project. Participants were involved in the project procurement and execution of the Kessem project. ESC has currently a total seven ongoing and three recently completed projects. From these projects Kessem sugar factory which is among the recently completed project is selected for the study.

3.5 Questionnaire Design

A questionnaire was designed by (AsfawTsegaye2017) modified by the researcher to collect the opinions of participants in ESC projects. The first part of the questionnaire asked for “yes or No” to understand the perception of procurement challenge adverse consequence. In the second part, respondents were asked to indicate, on a five-point scale to see degree of procurement challenges and views of respondents on procurement challenges.

3.6. Validity and reliability

The researcher compiled and adapted the researcher instrument after reviewing literature and consulting experts in the field. Moreover the adviser evaluated and ensured that the addresses of the study questions.

3.7. Data Analysis:

The quantitative data collected was entered into a computer, and the data analysis was done using SPSS software. The qualitative information collected using the in-depth interview was described and further analyzed being categorized and organized to thematic areas. The results are displayed with tables, graphs and narrations in the next chapter.

3.8. Ethical clearance

Before data collection, the purpose and procedure of the study was explained to the respondents and verbal informed consent was also being obtained. Respondent were not required to write their name and also attitude, opinion, and belief of respondent was kept confidential.

Chapter Four

Data Presentation, Analysis and Interpretation

4.1. Introduction

In this chapter the data obtained from the primary and secondary data sources is presented, analyzed, and interpreted. The primary data was obtained from the questionnaire and interview which is designed to collect the necessary data to answer the research questions from the respondents who are directly and indirectly involved with the project procurement practice. For the purpose of this study, data were collected through questionnaires and semi-structured interviews, and the next step was to analyze the collected data and to present the results. The questionnaires were distributed each of the respondents. And interview was conducted to each of key informant staffs who directly participate in the project procurement practice, these includes the procurement director, project manager, procurement team leader and procurement officers.

4.2. Rate of Response to qualitative and quantitative data Analysis

A total of 30 target respondents were purposefully selected and thirty questioners were distributed to them. A planned and in depth interview was also conducted with eight key informants among the target respondents. All respondents availed themselves both for the interview and returned their responses.

4.3. Respondents data analysis

Under this part, questionnaires were prepared to identify the procurement challenges of ESC projects. The samples were selected from ESC procurement staff, financial staff and technical staffs who participated directly or indirectly in the ESC project.

4.4. Respondent profile and composition

4.4.1 Demographic characteristics of the staffs

A frequency analysis was conducted to describe the respondents' backgrounds. The study has sought to determine the respondents' background information in terms of their gender

distribution. This was necessary to determine the number of male and female staffs in the organization. From total of 30 sample respondents (83%) were male; while the remaining (17%) were female. When comparing the sampled figure with the actual number of Kessem staffs in the study organization, female constituted about 15% and the remaining 85% is male. Hence the study indicated that the sample showed good representation of its total population in terms of gender; and also the project had reached more men.

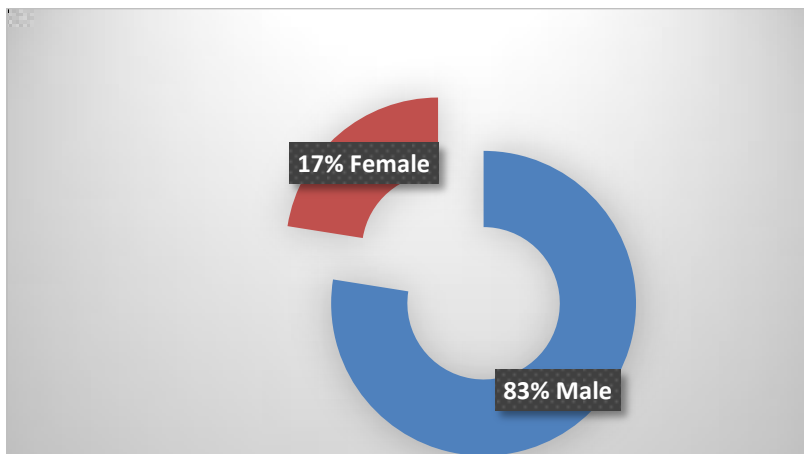


Figure 4.1: Gender composition of the Participants

The mean age of the respondents were 32 years old, most of the respondents was in high energetic working age period. The lowest age of the ES participants was 25 and the highest at 40.

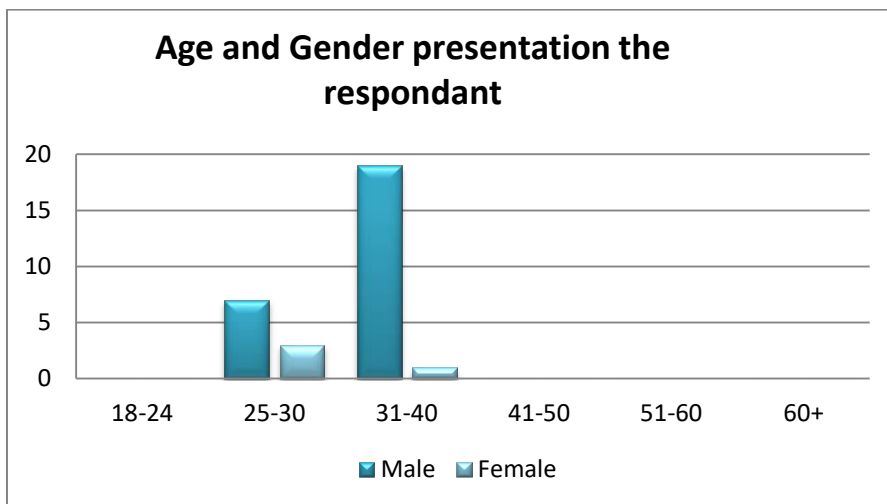


Figure 4.2: Age and Gender presentation the respondent

Out of 30 respondents 22(73%) of them has Bachelor degree, 5(16%) of them has higher diploma and the rest three has master's degree. From the total respondents 6 (20%) from

procurement unit, 5(16%) from finance unit and remaining 20 (64%) technical team, so that the majority sampled respondents from the technical team and with the Bachelor degree.

Table 4.1: Educational status versus work position of the respondents

Educational status vs work position of the respondents			Staffs highest academic qualification				
			Higher Diploma	Bachelor	Master	Doctorate	Total
			Count	Count	Count	Count	Count
Staffs current position	Accountant		1	1	0	0	2
	Civil Engineer		0	2	0	0	2
	Finance Manager		0	3	1	0	4
	Finance officer		1	0	0	0	1
	Material planning officer		2	1	0	0	3
	Procurement officer		0	2	0	0	2
	Procurement Team leader		0	2	0	0	2
	Procurement Manager		0	1	2	0	3
	Senior Engineer		0	7	0	0	7
	Senior Procurement officer		0	2	0	0	2
	Technical Team Leader		1	1	0	0	2
	Total		5	22	3	0	30

Source: own study, 2018

The below figure showed as that two third of the respondents have less than ten years' work experience and one third of the respondents have ten to twenty years' work experience. There is no respondent who has more than twenty years work experience.

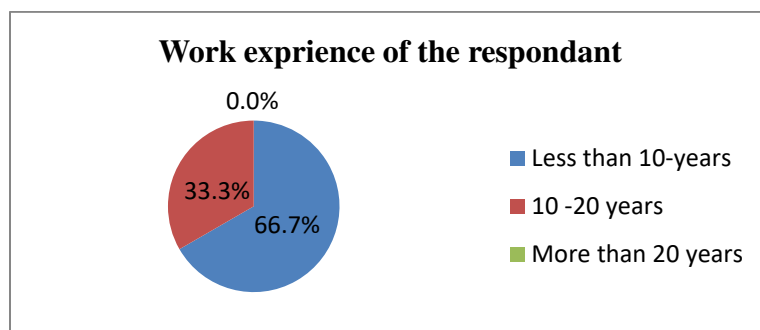


Figure 4.3: Respondents' work experience

4.5. Procurement challenges influence

Among the few objectives of this project work, one is to identify the impact project procurement challenges in ESCKesem projects and to see its influence on project cost and delivery time. From the study respondents 7 (23%) strongly agree and 18 (60%) agree, 2 (7%) disagree and 3 (10%) neutral, the majority of 83% of the sampled respondents agree that procurement challenge has impacts on the project.

Table 4.2. The impact of procurement challenge on project

Questions	Agree		Disagree		Neutral		strongly agree		Strongly Disagree	
	C	%	C	%	C	%	C	%	C	%
The procurement challenges in the project cause an adverse impact on the project	18	60%	2	7%	3	10%	7	23%	0	0%

Source: own study, 2018

As shown in figure 4.2 below, 93% of the respondents agreed that project cost overrun is caused by procurement challenge and the remaining 2(7%) respond “no” for this question. Regarding the question on project delay due to procurement challenges 25(83%) of the respondents feel that the Ethiopian sugar corporation project delay due to procurement challenges and the remaining 2(7%) respond “no” for this question.

Table 4.3. The influence of procurement challenge on project cost and time

Questions	No	Yes	Response yes vs no %	Grand Total
Do you feel that there is a cost overrun in the project due to procurement challenges of the Kessem Sugar Factory project	2	28	93%	30
Do you feel that there is a delay in the project due to procurement challenges in the Kessem Sugar Factory project	5	25	83%	30

Source: own study, 2018

4.6. Project procurement challenges on the performance contractor, sub-contractor, supplier and vendors

The next question the participants were asked about is a project procurement challenge which is tied with the performance of the main contractor, sub-contractor, supplier and vendors of ESC project. Seven questions were asked in the questionnaire. Accordingly the participant responded as shown on table 4.4 below.

The study used different procurement challenge indicator to major procurement challenges on the performance main contractor, sub-contractor, supplier and vendors:

Required knowledge of contractor and subcontractors is one of the major indicator out of the total respondents 15(50%) of the respondents disagree on the availability of the required knowledge for the project work , 27% of the respondents have say no that and 23% of agree on the availability of the required knowledge.

The next procurement challenge indicator on time delivery of goods & services by suppliers and subcontractors, out of 30 respondents 22(73%) agree that there is no timely delivery of goods & services, and the rest of 8(27%) has an opinion there is no problem in timely delivery. This shows that there is a problem of longer delivery time of requested goods and this leads us to search for possible reasons for the delay. Due to the time required to complete the project would be long.

Concerning a standard evaluation criterion for evaluating potential contractors & suppliers from the respondents the study only 5(17%) agree there is standard evaluation criterion for evaluating potential contractors & suppliers and majority 18 (60%) disagree and the rest 23 has no say on that.

The study also tried to evaluate the usage of criterion for evaluating potential contractors from the total of 30 respondents only 3 (10%) agree that evaluation criteria has been used for selecting potential contractor.

Another procurement challenge indicator were competent and capable contractors & suppliers in the market to supply the project materials the study result presents that 47% agree, 20% disagree, 17% neutral, 17% strongly agree and 0% strongly disagree.

Another important indicator were evaluating the experience of the contractors 14(47%) disagree on the availability of working experience, 24 % has an agreement and 30% of the respondents prefer nothing to say.

The availability of enough finance was also another important indicator to identify the challenge of the procurement 57% of the respondents as 11 (33%) agree, 17(57%) disagree and 2(7%) neutral.

The study has consider desired technology for the project as important indicator, from the respondents 50% agree, 27% disagree, 17%, neutral, 7% strongly agree and 0% strongly disagree.

The last procurement challenge indicator of the study includes required quality and quantity of manpower for the project 20% agree, 0% disagree, 7% neutral, 17% strongly agree and 57% strongly disagree.

Table 4.4: Project procurement challenges performance contractor, sub-contractor, supplier and vendors

Questions	Agree		Disagree		Neutral		strongl y agree		Strongly Disagree	
	C	%	C	%	C	%	C	%	C	%
Main contractor and subcontractors havethorough knowledge of the local government and non-government requirements	7	23 %	12	40 %	8	27 %	0	0%	3	10%
The main contractor and subcontractors use approved suppliers	7	23 %	14	47 %	9	30 %	0	0%	0	0%
There was a problem of on time delivery of goods & services by suppliers and subcontractors	13	43 %	9	30 %	0	0%	8	27 %	0	0%
There is a standard evaluation criterion for evaluating potential contractors &suppliers	5	17 %	18	60 %	7	23 %	0	0%	0	0%
ESC Select and manage the contractors, subcontractors and vendors based on the standard evaluation criterion	3	10 %	17	57 %	8	27 %	0	0%	2	7%
There are competent and capable contractors &suppliers in the market to supply the project materials	14	47 %	6	20 %	5	17 %	5	17 %	0	0%
There is a problem of coordination between contractor and subcontractor in the procurement practices	9	30 %	8	27 %	8	27 %	5	17 %	0	0%
The main contractor and subcontractors carried out the project has experience in international and local project	5	17 %	14	47 %	9	30 %	2	7%	0	0%
The main contractor and subcontractors have enough finance	11	33 %	17	57 %	2	7%	0	0%	0	0%
The main contractor and subcontractors have the desired technology for the project	15	50 %	8	27 %	5	17 %	2	7%	0	0%
The main contractor and subcontractors have the required quality and quantity of manpower for the project	6	20 %	17	57 %	2	7%	5	17 %	0	0%
The main and subcontractors contractor have adequate machinery for the project	13	43 %	4	13 %	8	27 %	5	17 %	0	0%

Source: own study, 2018

4.7 Project procurement challenges on quality of the work performed and equipment supplied

The other part under this questionnaire was to analyze data regarding quality of the work performed by the contractors and equipment supplied by vendors. In order to assure this the QA and QC practices and available staffs of ESC were assessed to know its impacts on project output delivery. So the data collected through questionnaires were analyzed and presented within the context of project procurement challenge which contributed to the ineffective achievement of the project.

As can be seen from the below table, 19(64) % responded that they did not believe that there is appropriate quality assurance (QA) and quality control (QC) procedures implemented. From the remaining 5(17%) agree and 6(20%) neutral.

The study also consider experienced manpower to assure and control quality of Project materials delivered to client as one of the indicator to measure the quality of the work performed and equipment supplied from total 30 sampled respondents 17% agree, 63% disagree, 20% neutral, 0%strongly agree and 0%Strongly Disagree, so that as the finding shows as there are less experienced manpower to assure the quality of the project work and material this could have a negative impact on the project product.

There are equal number of respondents 12 (40%) have provide agreement and disagreement on Project materials and equipment delivered are as per the users specification and 3(10%) has neutral opinion and 3(10%) strongly disagree. From this finding 43% has indicated there is problem material delivery based on the specification.

The researcher also use Project materials and equipment durability as another indicator 20% agree, 43% disagree, 20% neutral, 10% strongly agree and 7% strongly disagree, from this the study show that half of the respondents disagree on project materials and equipment durability, this indicate that the project has opportunity incur additional cost like the maintenance cost, buying new, and lag in production time.

Table 4.5: Project procurement Challenges on quality

	Agree		Disagree		Neutral		strongly agree		Strongly Disagree	
	C	%	C	%	C	%	C	%	C	%
Questions										
There is appropriate quality assurance (QA) and quality control (QC) procedures implemented	5	17 %	17	57 %	6	20%	0	0%	2	7%
There is skilled and well experienced manpower to assure and control quality of Project materials delivered to client	5	17 %	19	63 %	6	20%	0	0%	0	0%
Project materials and equipment delivered are as per the users specification	12	40 %	12	40 %	3	10%	0	0%	3	10%
Project materials delivered meets the desired quality standard	5	17 %	19	63 %	6	20%	0	0%	0	0%
Project materials and equipment are long-lasting	6	20 %	13	43 %	6	20%	3	10 %	2	7%
There is a quality complaints from users on the project service provided by the contractors and materials and equipment's	11	37 %	3	10 %	3	10%	1 3	43 %	0	0%

Source: own study, 2018

4.8 Procurement staff and consultants performance

In this part, the data collected regarding ESC Procurement staff and consultants performance in project procurement through questionnaires were analyzed and presented the in Table below.

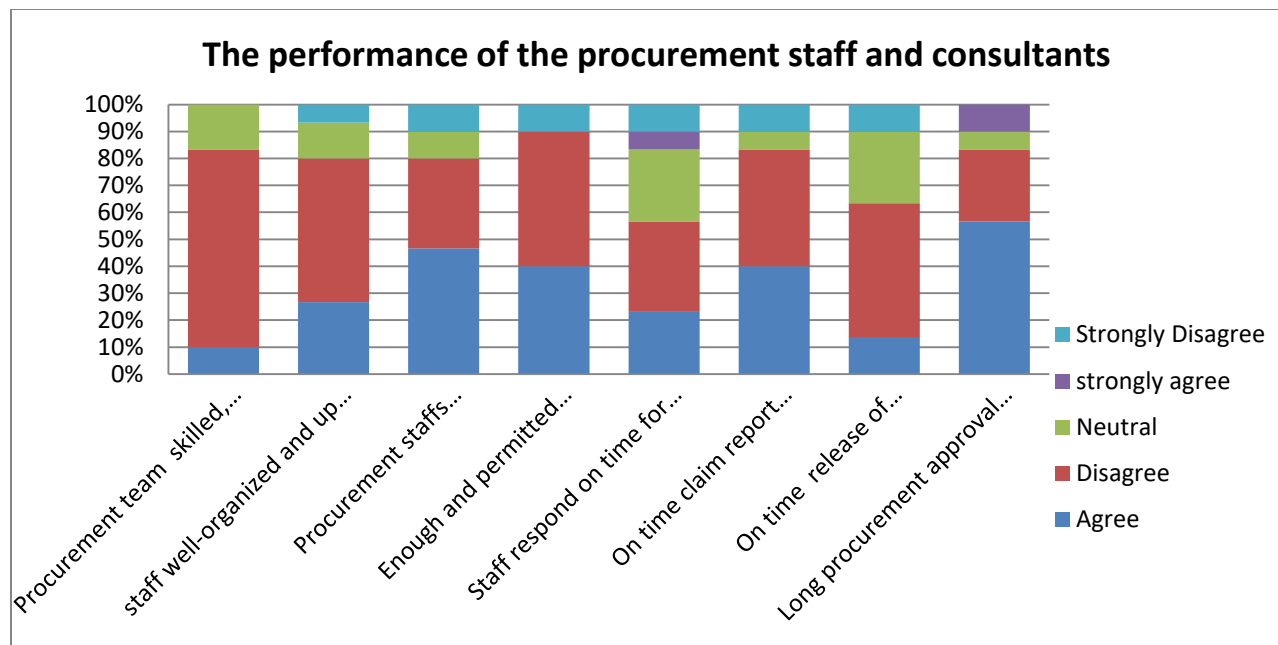


Figure 4.4 The performance of the procurement staff and consultants

The researcher to measure the performance of the procurement staff and consultants about eight questions are asked, one of the question asked about skilled, experience sufficient amount of staff out of the total 30 sampled respondents 73% disagree, 10% agree and 17% neutral, as skill and experience is the major constraints of the project procurement 73% of the respondents has indicated there is a problem in this matter.

Another points the researcher tried to evaluate that whether or not Procurement staffs prepared project procurement requisition on timely and on planned manner 47% has been on agreement on there are timely preparation of procurement requisition, 43% disagree and the rest has no specific opinion on this regard. This 43% of disagreement on the procurement requisition timeliness indicate that difficulty to finalize the project in time.

As budget one of the key constraint in the project success the study consider as one of indicator to measure the procurement staff performance the permitted budgeted reflecting market price out of 30 respondents 40% agree, 50% disagree, 0% neutral, 0% strongly agree and 10% strongly disagree. It shows there is a gap on preparing the budget based on the market price fluctuation.

From the total of 30 sampled respondents 40% agree on time claim report presentation and 53% of the respondents disagree and the remaining 7% has no say , as more than half of the respondents indication inability of on time claim presentation could cause of less quality and delay in timely completion of the project.

60% of the respondents disagree on time release of payment document to contractor and subcontractors, 13 agree and the rest 27 neutral. Without time release of payment document to the finance department the contractor payment will delay then that will affect timeliness of the project.

The last indicator designed to assess the procurement staff performance shows 64 % of the respondents agree there is a long procurement approval processes, 27 % disagree and the remaining 10 have reservation to respond on this question, more than half of the respondents explained there is a long process of procurement approval this will have a negative impact on the timely submission of the project work.

4.9 Factors need to be improved in order to overcome the challenges

Questions	Agree		Disagree		Neutral		strongly agree		Strongly Disagree	
	F	%	F	%	F	%	F	%	F	%
Emphasis given by higher officials and ESC procurement directorate to find new potential contractor ,subcontractor and suppliers	3	10%	17	57%	10	33%	0	0%	0	0%
Using information communication technologies and data base systems in facilitating procurement practices.	5	17%	18	60%	2	7%	3	10%	2	7%
Emphasis given to strategic supplier relationship (long term supply base agreement) for critically required items in which they found only from one supplier or manufacturer.	5	17%	13	43%	7	23%	0	0%	5	17%
Organized list of contractor ,subcontractor, suppliers and recorded Performance	5	17%	16	53%	4	13%	3	10%	2	7%
Performance on timely preparation of procurement requirements for tender and Evaluation of bid documents	8	27%	12	40%	7	23%	3	10%	0	0%
Timely submitting evaluation document	10	33%	20	67%	0	0%	0	0%	0	0%
On time payment and closing the contract	3	10%	19	63%	2	7%	0	0%	6	20%

Table 4.6 Factors need to be improved in order to overcome the challenges

The third research question was to identify factors that need to be improved in order to overcome the challenges in the of ESC project in the case of kessem project. The researcher design different indicators to assess the factors.

The first factor was the emphasis given by ESC higher officials and procurement directorate to find new potential contractor, subcontractor and suppliers. Out of the 30 respondents 3(10%) agree,17(57%) disagree, 10(33%) neutral, 0% strongly agree and 0% strongly disagree. The majority disagree on the issue to find new potential contractor, subcontractor and suppliers.

The second factor using information communication technologies and database systems in facilitating procurement practices. Out of the 30 respondents 5(17%) agree, 18(60%) disagree, 2(7%) neutral, 3(10%) strongly agree and 2(7%) strongly disagree. The majority disagree on the issue to use information communication technologies and database systems in facilitating procurement practices. This indicate that there is lack of using information technology system so that to implement successful project in related areas usage of the required information technology systems will be add up the for effective implementation.

The third factor emphasis given to strategic supplier relationship (long term supply base agreement) for critically required items in which they found only from one supplier or manufacturer. Out of the 30 respondents 5(17%) agree, 13(43%) disagree, 7(23%) neutral, 0 strongly agree and 5(17%) strongly disagree. The majority disagree on the emphasis given to strategic supplier relationship.

The fourth factor Organized list of contractor, subcontractor, suppliers and recorded Performance. Out of the 30 respondents 5(17%) agree, 16(53%) disagree, 4(13%) neutral, 3(10%) strongly agree and 2(7%) strongly disagree. The majority disagrees on the organized list of contractor, subcontractor, suppliers and recorded Performance.

The fifth factor Performance on timely preparation of procurement requirements for tender and Evaluation of bid documents. Out of the 30 respondents 8(27%) agree, 12(40%) disagree, 7(23%) neutral, 3(10%) strongly agree and 0strongly disagree. The majority disagree on the performance on timely preparation of procurement requirements.

The sixth factor Timely submitting evaluation documents. Out of the 30 respondents 10(33%) agree, 20(67%) disagree, 0 neutral, 0 strongly agree and 0 strongly disagree. The majority disagree on the Timely submitting evaluation documents.

The seventh factor was on time payment and closing the contract. Out of the 30 respondents 3(10%) agree, 19(63%) disagree, 2(7%) neutral, 0 strongly agree and 6(20%)strongly disagree. The majority disagree on the on time payment and closing the contract.

4.10 Interview Results and discussion

Based on the literature review and on the methodology presented in the previous chapters, a number of interviews were conducted as a supplementary tool to the questionnaire. The objective is to identify other major challenges of project procurement in ESC Kessem projects which supportive in the quantitative part of the questionnaire and mentioned by respondents of the procurement staff in the open ended questionnaire. More information was obtained from the interviews that reflect the obstacles and challenges of project procurement in ESC projects. The interview questions were structured to get answers by key informants like procurement director, procurement staffs, financial and technical staffs who were involved in ESC project. A list of the interviewees and the questions are presented in Appendices.

Based on these, the majority of the respondents agreed that the major challenges affecting the ESC project procurement in Kessem represented as follows:-

- Major challenges procurement in ESC in KSF project

One of the major challenges of project procurement in ESC projects particularly in KSF project is the low performance of main contractors, subcontractors and suppliers. ESC contractor selection is based on least price. It is a common practice to select the least cost bidder among competing contractors to perform the job. The one which offered least price was the winner of the contract. The least priced contractor's unable to have previous experience, availability of skilled work force, technology, and finance affected the project delivery. So the quality and timeliness of the project could be affected with such least priced contractors.

- The impacts of less performance project procurement in ESC in KSF project

In the interview the majority of the respondents agreed that the impact of less performance project procurement in ESC in KSF project results in cost overrun, project delayed and low quality of project output.

➤ The performance of procurement staffs and consultants

Based on respondents, ESC lacks adequate and well-trained workers in the procurement directorate. The performance of procurement staffs and consultants is less. The performance of the consultant is also less, due to a language barrier between the consultants, and ESC procurement staffs as the consultancy were from china.

➤ Failure to perform quality assurance and quality control

To control quality is to ensure the deliverables are correct and make free of defects. ESC project quality team lacks skilled and experienced team to control quality.ESC has a quality management plan, however using the standards and processes defined in the plan not adequate. The quality audit performed to evaluate the project work not capable to assure the customer's expectation.

➤ Factors needs to be improved

Based on the finding from the qualitative and quantitative study results to overcome the procurement challenge in the ESC project such projects should improve internal and external communication, usage of recent technology, strategic supply relation, standard contractor selection criteria, skilled and experienced procurement staff, improvement of organized list of contractor ,subcontractor, suppliers and recorded performance and the top management support.

Chapter Five

Summary, Conclusion and Recommendations

5.1. Introduction

This chapter gives the summary of the study findings from chapter four and it also gives conclusions that were drawn by the researcher according to the findings of the study and the recommendations for improvement based on the study results. The researcher also recommends further studies to be conducted.

5.2. Summary of Findings

To gather information for the project work, primary sources including structured questionnaires, interviews and observations were used, and secondary sources including procurement, manuals and reports were revised. Both the primary and secondary sources revealed procurement challenge has impacts on project performance. From the data presented and analyzed in chapter four, the following conclusion was drawn:

Findings

The findings indicate that the most common project procurement challenges in Ethiopian Sugar Corporation in the case of Kessem project are; low performance exhibited by main contractor subcontractors, consultants and procurement staffs, low quality of project work performed by main contractor and subcontractors due to contractor and subcontractors lack of experience and knowledge in international and local project, less use approved suppliers, late delivery of goods & services, have no standard evaluation criterion for evaluating potential contractors & suppliers, absence of having enough finance, lack of desired technology for the project, less required quality and quantity of manpower and lack of adequate machinery for the project. The poor project quality can have profound effects on projects resulting in rework, schedule delays, higher cost, frustration, morale problems, and lack of customer satisfaction.

The performance of the procurement staffs in facilitating project procurement is poor. The procurement department wasn't structured with adequate amount of skilled and experienced manpower. There was a delay in procurement document preparation. The procurement staffs were

unable to propose procurement budget reflecting the market price and send procurement document to finance department to perform payment to contractors, sub-contractors and suppliers. The long procurement approval process also affected the performance of the procurement staffs.

The emphasis given by ESC higher officials and procurement directorate to find new potential contractor, subcontractor and suppliers is less. There are potential contractor, subcontractor and suppliers in the market. To select the best one ESC higher officials should cooperate with the procurement directorate in reviewing its selection criteria and approving the decision based on procurement and engineering department feedback rather than focusing on price.

The procurement staff performs its procurement activities manually and database systems are almost absent. The procurement activity is done manually. There is lack of using information technology and database systems. So to implement successful project in related areas, usage of the required information technology systems will be add up for effective implementation. And also using information communication technologies and database systems play a great role in facilitating procurement practices.

The establishment of long term supplier relationship is less. The focus given to strategic supplier relationship is small. Goods and services which are strategically important to the project are not procured on long term supplier relationship agreements. On the top of this the procurement directorate doesn't have a potential contractor, subcontractor and suppliers. In addition there is no organized recorded list of contractor, subcontractor and suppliers which states their performance. The Contractor, subcontractor and suppliers performance which carried out the project previously and in ESC will help to achieve the procurement objective.

5.3 Conclusion

The findings of this study suggest that the major challenges of project procurement in ESC projects particularly in KSF project is the low performance of main contractors, subcontractors and suppliers. The increasing needs in shorter project periods and quality project outcome has

led to the use of capable contractor, sub-contractors, consultants and performance of the procurement staffs project delivery system. One of the most difficult decisions taken by the client is selection of the contractor, because the inappropriateness of the selected contractor leads to substandard work, delays, disputes, or even bankruptcy.

In order to cope with new developments and invite suitable bidders it is necessary to clarify and develop predetermined selection criteria, to improve and organize the assessment of information relating to these criteria, and to develop methods for evaluating the criteria against the owner's project goals in the prequalification and bid evaluation stages of the project procurement process.

Subcontracting arrangements are an important practice in international construction projects. The subcontracting device has considerable importance to each portion of a project because using in-house resources is costlier than outsourcing. Awarding a construction subcontractor the lowest bidder, without considering other factors can result in problems such as cost overruns, delays, and poor performance.

The main contractor's control of the overall quality of construction is vastly improved when the contractor uses own resources. In other words, when the employment is direct, the control will be more effective. By having direct control on work, the contractor may get a better quality job. Since the client and main contractor have very little control over who carries out the specialist work under a subcontract, there is a looser relationship between employer and employee in subcontracting.

Contractors should evolve their quality management process to realize a documented quality management system. Clients and designers in turn should prequalify contractors on quality. This will exert pressure on contractors to achieve 'best practice'. Contractors should also implement health and safety programs and productivity improvement processes and concerted efforts should be made to educate and train all personnel.

The performance of the procurement staffs is also found as a challenge to project procurement in Kesseme project. Their performance in timely preparation of complete procurement document has an impact on the timeliness of the project. The adequate and well-trained workers in the procurement directorate can perform better.

5.4 Recommendations

As a result of these study findings, the researcher put forward the following recommendation.

➤ Selecting appropriate Contractors, sub-contractors and Consultants

Choosing a qualified contractor increases the chances of successful completion of a project by achieving the client's goals of keeping the schedules of the cost, time and quality. It therefore became imperative to select a competent contractor to implement the project. ESC should review the capabilities of individual contracting firms that meet its project needs. When selecting a contractor, there are several qualities and capabilities that owner should look for, including:

- ✓ Previous project experience.
- ✓ A successful project track record.
- ✓ In-house resources (e.g., engineering, finance, operation), including experience with environmental permitting and siting issues.

It was found out that track performance, financial capacity and technical capacity were the top most important criteria used by ESC for the selection of main contractors as perceived by the respondents. The criteria to be considered by ESC during the prequalification of main contractor and subcontractors are those pertaining to financial soundness, technical ability, management capability, and the health and safety performance of contractors.

The contractors, sub-contractors and Consultants qualified the minimum technical qualification requirement of ESC. Here those who offered higher price and have better performance than this contractors were rejected.

ESC contractor selection should not be based on least price, as the results shows that least price contractor selection negatively affects the overall performance of the project, so that the researcher recommended that the contractor selection should follow the standard based on the experience of different related project, skilled work force, using of required technology and machineries. In addition ESC has to check the actual performance of the Contractors, sub-contractors and Consultants by visiting their completed projects, workshop and technology.

➤ Improving the performance of procurement staff in practicing the project procurement

Project procurement staffs are the most valuable asset of the ESC. Project success generally depends on their talent, as well as team performance. Highly engaged and motivated teams are often more likely to perform at a high level and achieve their objectives. Real success of the project procurement is built from a combination of talent, innovation, effort and commitment. Here are recommendations positively influence project procurement team performance.

✓ Creating appropriate training opportunities to project procurement staff

In order to maximize the project procurement staff performance in preparing well defined and up-to-date procurement specification, preparation of project procurement requisition on time and on planned manner, conducting receiving, inspecting, issuing of receiving voucher and claim presenting on time, Creating training opportunities and capacity maximization programs is vital. If adequate and appropriate training is given to the procurement staff, the bargaining power of the procurement directorate will be increased. The training shall focus on project procurement practice and procedures. The training program should be continuous considering technological and environmental changes.

✓ Clarify expectations

Make sure to communicate all the expectations for individuals in the procurement team. Efficiency is not achieved in isolation. Make it clear to that team that they are to support each other as a team, in order for the entire project to succeed. The procurement manager plays a vital role in this issue.

✓ Hire the right people.

Hire the right people can be the single greatest factor in contributing to a project procurement success. The right person will bring not just a particular skill set or knowledge base, but will be a solid addition to drive forward to the project success. ESC makes sure the appropriate people get looped into the project procurement department.

Market research is a tool used for gathering and analyzing data on potential contractor, subcontractor and suppliers for the purpose of aligning the needs of a project. For the right potential contractor, subcontractor and suppliers factors such as quality, delivery, cost, and other key performance indicators. The marketing research shall be organized with adequate and skilled man power from different professionals according to the procurement nature of the project. Use of standard contractor selection criteria, skilled and experienced procurement staff, organized list of contractor, subcontractor, suppliers and recorded performance can be helpful in solving procurement challenges.

Project procurement technology market has undergone huge changes. Information communication technology can be applied in each step of the project procurement process, makes the practice of the project procurement better. By using procurement system management software, ESC project procurement team can operate more effectively and efficiently with their suppliers and vendors. They can easily share information using the technology.

5.5. Recommendation for future research

This study considered at four independent variables (Competency of main contractor, the performance of suppliers and subcontractors, the performance of procurement staff and consultants in practicing the project procurement, quality of the work performed and equipment supplied) which based on the study contributes to the effective project procurement performance. The project work recommends further research to investigate the other factors that affect project procurement performance. The study was only based on Ethiopian Sugar Corporation; thus the study recommends that a further study should be carried out to cover a wider scope to enhance generalization.

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Appendix I questionnaires
Addis Ababa university school of commerce
Master of art in project management

Questionnaires on Assessment of procurement challenges in implementing Ethiopian Sugar Corporation projects the case study in Kessem Sugar Factory (KSF) project Questionnaire to be filled by Respondents

Questionnaires survey on Assessment of procurement challenges in implementing Ethiopian Sugar Corporation projects the case study in Kessem Sugar Factory project

Dear Respondents!

I would like to express my deep appreciation to you for the time and effort spent in filling up this questionnaire.

The purpose of this questionnaire to gather information from Ethiopian Sugar Corporation on project procurement challenges. This questionnaire is conducted in partial fulfillment of the requirement for my master's degree in Project Management from Addis Ababa University. I am kindly requesting you to fill the attached questionnaire to your best knowledge. All information will be confidential and will be used for academic research only; your contribution in filling this questionnaire will help to identify Ethiopian Sugar Corporation project procurement challenges.

Thank you in advance for the available information you are sharing and the precious time you are going to spend for this purpose

If you have any enquiry please don't hesitate to contact the researcher on:

Email –swoldetensay@gmail.com Phone :09 36043681 (Sintayehu W/Tensay)

PART ONE: Participant's Profile

I. What is your Gender?

Male Female

☐ ☐

II. How old are you?

18-24 25-30 31-40 41-50 51-60 60+
☐ ☐ ☐ ☐ ☐ ☐

III. What is your highest academic qualification?

☐ Higher Diploma ☐ Bachelor ☐ Master ☐ Doctorate ☐ Other: _____

IV. What is your current position? _____

V. How many years of total work experience do you have?

☐ Less than 10-years ☐ 10 -20 years ☐ More than 20 years

PART TWO: Survey questions

Please respond to the following statements by selecting and ticking the closest option:

Q1.Challenges the project procurement and their impact in the of ESC project in the case of kessem Sugar Factory project

1. The procurement challenges in the project cause an adverse impact on the project

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

2. Do you feel that there is a delay in the project due to procurement challenges in the Kessem Sugar Factory project

☐ Yes ☐ No

3. Do you feel that there is a cost overrun in the project due to procurement challenges in the Kessem Sugar Factory project

☐ Yes ☐ No

4. There is a quality complaints from users on the project service provided by the contractors and materials and equipments supplied by suppliers in the Kessem Sugar factory project

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

5. The main contractor and subcontractors carried out the project has experience in international and local project

- ☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree
6. The main contractor and subcontractors have enough finance
☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree
7. The main contractor and subcontractors have the desired technology for the project
☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree
8. The main contractor and subcontractors have the required quality and quantity of manpower for the project
☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree
9. The main and subcontractors contractor have adequate machinery for the project
☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree
10. Main contractor and subcontractors have thorough knowledge of the local government and non-government requirements including the local content requirement
☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree
11. The main contractor and subcontractors use approved suppliers
☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree
12. There was a problem of on time delivery of goods & services by suppliers and subcontractors
☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree
13. There is a standard evaluation criterion for evaluating potential contractors & suppliers
☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree
14. ESC Select and manage the contractors, subcontractors and vendors based on the standard evaluation criterion
☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree
15. There are competent and capable contractors & suppliers in the market to supply the project materials
☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree
16. There is a problem of coordination between contractor and subcontractor in the procurement practices
☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

17. There is appropriate quality assurance (QA) and quality control (QC) procedures implemented?

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

18. There is skilled and well experienced manpower to assure and control quality of Project materials delivered to client

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

19. Project materials and equipment delivered are as per the users specification

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

20. Project materials delivered meets the desired quality standard

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

21. Project materials and equipment are long-lasting

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

Q2. What is the performance of the ESC procurement staffs and consultants on practicing the process of project procurement and to what extent it is affected the overall procurement process in ESC project in the case of kessem project?

22. The procurement team equipped with skilled, experience and sufficient amount of staff

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

23. Procurement staffs and consultants prepared well-organized and up to-technical speciation of project procurement requisition

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

24. Procurement staffs prepared project procurement requisition on timely and on planned manner

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

25. Procurement staffs and consultants present of project procurement requirement with enough and permitted budgeted reflecting market price

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

26. Procurement staffs and consultants respond on time for clarification requests

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

27. On time claim report presentation for items missed defected and not comply with specification and contract

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

28. On time release of EPC contractor payment document

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

29. There is long procurement approval processes

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

Q3. What factors need to be improved in order to overcome the challenges in the of ESC project in the case of kessem project?

30. Emphasis given by higher officials and ESC procurement directorate to find new potential contractor ,subcontractor and suppliers

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

31. Using information communication technologies and data base systems in facilitating procurement practices.

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

32. Emphasis given to strategic supplier relationship (long term supply base agreement) for critically required items in which they found only from one supplier or manufacturer.

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

33. Organized list of contractor ,subcontractor, suppliers and recorded Performance

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

34. Performance on timely preparation of procurement requirements for tender and Evaluation of bid documents

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

35. Timely submitting evaluation documents

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

36. On time payment and closing the contract

☐ Strongly Disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ strongly agree

Thank you very much for your time and cooperation

Appendix II Semi-Structured Interview for key informants

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I. Semi-structured Interview question to project managers, procurement director and senior staffs

1. What are the major challenges procurement in ESC projects particularly in KSF project and their impacts?
2. What has to be done to overcome the challenges of procurement in ESC projects particularly in KSF project
3. Do you have criteria to evaluate the potential contractor and supplier?
4. What are the major challenges in selecting potential contractor and supplier?
5. Do you think your suppliers are supplying goods and services according to the contract? If no what are the reasons on your opinion?
6. Do you think the consultants and procurement staffs are well performing on the procurement process? If no what are the challenges?
7. Is training given to the project procurement staff? What are the constraints in providing training to the project procurement staffs?