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**ST. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
FUCULTY OF BUSINESS**

**ASSESSMENT OF PROCUREMENT  
PLANNING PRACTICE AND ITS IMPLEMENTATION:  
THE CASE OF UNITED NATIONS DEVELOPMENT  
PROGRAMME (UNDP), ETHIOPIA COUNTRY OFFICE**

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**JUNE 2016**

**ADDIS ABABA, ETHIOPIA**

**ASSESSMENT OF OF PROCUREMENT PLANNING  
PRACTICE AND ITS IMPLEMENTATION:  
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**BY  
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## Acronyms

<b>CIPS</b>	-	Chartered Institute of Procurement and Supply
<b>CRGG</b>	-	Climate Resilience Green Growth
<b>EGPR</b>	-	Economic Growth and Poverty Reduction
<b>FRR</b>	-	Financial Rules and Regulations
<b>GDP</b>	-	Gross Domestic Profit
<b>ICT</b>	-	Information Communication Technology
<b>IPSAS</b>	-	International Public Sector Accounting Standard
<b>OECD</b>	-	Organization for Economic Cooperation & Development
<b>PME</b>	-	Financial Rules and Regulations
<b>PMSU</b>	-	Partnership Management Support Unit
<b>POPP</b>	-	Programme and Operations Policies & Procedures
<b>SPSS</b>	-	Statistical Package for Social Sciences
<b>UN</b>	-	United Nations
<b>UNDP</b>	-	United Nations Development Programme
<b>UNOPS</b>	-	United Nations Office for Project Services
<b>USD</b>	-	United States Dollar
<b>VFM</b>	-	Value for Money
<b>IAPWG</b>	-	Interagency Procurement Working Group

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## ***Abstract***

*Efficient management of public procurement function plays significant role in achieving the development Goals of UN Agencies including UNDP. As a result, effective and efficient procurement management is a mandatory requirement to achieve these goals. The Public Procurement Management covers procurement planning, budget allocation, bids evaluation, contract award, and contract management. The objective of the study is to assess the practice of procurement planning and its implementation preparation in the Office of UNDP Ethiopia. The study employed descriptive study and purposive sampling method with a total population of 77 staff and the sample size of 45 respondents from all requesting units. The findings showed that the majority of the respondents confirmed that the organization's practice in relation to procurement planning preparation: early needs identification, specification preparation, price estimation, procurement needs consolidation at office level are not applied in the office. The procurement process undertakes based on individual unit's request instead of consolidation at office level. Moreover, the study concurred that there is lack of joint efforts and team works in procurement plan preparation between the requesting and procurement units. In relation to the procurement implementation practice, the findings of the study showed that bid were advertised without plan, short notice and re-advertisements undertakes regularly and contract amount variation and modification of the terms of reference & specification occurs. Based on the finding, the following are recommendations. The top management is required to establish effective monitoring and controlling mechanism to ensure that all requesting unit prepares its annual procurement plan at early stage. The Programme and Operations Policies & Procedures of the organization need to be reviewed to put into places of forceful clauses that require for compliance of the requesting and procurement units. In a nutshell, before approving of the results of any procurement process, the top management is advised to ensure that the request is in the approved procurement plan with specific identification number.*

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**Key words:** *Procurement Planning, Public Procurement, UNDP*

## **CHAPTER ONE**

### **1. INTRODUCTION**

#### **1.1 Background**

Efficient management of public procurement function has a comprehensive role in achieving of development Goals. It plays critical part to contribute to a better allocation of resources as the government's service delivery function depends on the efficient and effective public procurement implementation (Basheka, 2008; Wambui, 2013; Onyango, 2012; Mathew and Patrick, 2013).

The United Nations Development Programme (UNDP), as public organizations, has also the responsibilities to safeguard public funds which are provided to it by peoples through their respective governments for achieving the agreed goals of United Nations (UN procurement practitioner's Handbook, 2013). As a result, effective and efficient procurement management is a mandatory requirement to achieve these goals. Further, Thai (2005) and Wambui (2013) described that effectiveness, efficiency, fairness and transparency in the public procurement function is a concern of governments and the international development community.

Therefore, the Public Procurement management is a broader process that covers procurement planning, budget allocation, bids evaluation, contract award, contract management, and performance evaluation. It is an activity that must support the delivery of a public body's strategic objectives and achieves the expectations of the targeted public and taxpayers at large.

Procurement planning is the primary function of procurement that sets the stage for succeeding procurement activities. It contribute to the success of public institution's operations and improve service delivery. (Basheka, 2008; Onyango, 2012). It facilitates the procurement process. It is the sequence used by companies or public organizations to plan purchasing activity for a specific period of time. The goal of procurement planning is to coordinate and integrate actions to fulfil needs for goods and services in timely manner and reasonable costs, to avoid emergency (last minute procurement) and it creates

transparency and competition, usually, it is prepared during the annual budgeting process, preferably in the fourth Quarter of each year and followed with a detailed Procurement Plan. Annual Procurement Plan facilitates early, and smooth procurement processes and draws business's early attention to the procuring entity's planned procurement of the forthcoming financial year (Frida et al (2014).

Therefore, Procurement department cannot implement its function in isolation efficiently and effectively. It must work with technical departments, procurement services requesting units and other related bodies to develop the procurement plan (Training Manual on procurement planning for successful Budget Implementation, Abuja, 2010).

## **1.2 Statement of the Problem**

UNDP is a steward of public funds which have been provided in trust by people to fulfil specific purposes such as social services, humanitarian relief, peace building and keeping, rehabilitation and development of economies.

It is, therefore, important that all UNDP's procurement transactions should be carried out based on the highest degree of public trust. It is required to respect the basic principles of the organization while responding to the needs of programs and operations timely in obtaining of quality goods and services when and where they are needed (UNDP, 2013; UNOPS, 2014). Achieving of these needs timely, at reasonable costs, and to the satisfaction of the clients requires to plan ahead.

The objective of procurement planning is to achieve value for money through the implementation of early needs identification, requirement definition, realistic cost estimates, consolidation requirements at office level in consultation with the end users (Mamiro, 2010; CIPS Level three Handbook, 2013; Basheka, 2008).

Absence of early procurement planning which includes need identification, specifying of the requirement in the form of specification, realistic cost estimation affects the implementation of procurement management function. Moreover, procurement of goods, services and works request in the manner of a daily base is the major setback to obtain the value for money objective.

Each requesting unit is required to prepare an individual plan at early stage. The responsibility of the procurement unit is consolidating of the requirements at office or project level, as appropriate, based on the complexity and nature of the goods, to achieve economies of scale, workload distribution and better uses of resources (FRR, 2005; UNDP POPP 2013). The inefficient use of funds generated from problems across the entire procurement processes: from identification of needs, solicitation and offer evaluation, lack of competition in the process, award of contracts and poor contract supervision (Basheka, 2008).

The report of UNDP Ethiopia Country Office (IPSAS report) which covers the period from 2009-2013 showed lack of procurement plan which matches with Basheka, (2008). The report detailed Quarter wise that in 2009, the total request submitted was USD 18.4 million (36.3% of the total budget of the office). The report indicates that USD 1.04; 1.3; 1.4 & 14.5 million was requested in Quarter 1; 2; 3 & 4 respectively. In 2010, similarly, showed that the total amount was USD 9.6 million (20%) and the Quarterly request was USD 1.6, 2.3, 2.08 & 3.5 million respectively for Quarter one to four. In 2011 USD 9.05 (18%) was the procurement budget. The 2011 procurement request also depicted USD 9.05 (18% of the total budget) an amount of USD 1.02, 1.84, 2.77, & 3.43 for Quarter one up to Four. Similarly, the 2012 procurement budget was USD 11.65 million (19.3%) and the procurement request submitted showed USD 1.58, 2.62, 2.9 & 4.55 for quarter one to four sequentially. The 2013 procurement budget implementation also indicates that a total procurement budget was USD 17 million (38.4%). The quarterly requested described USD 2.4, 4.8, 3.4, 7.15 million respectively.

The report revealed that the procurement request is not coordinated and planned ahead. As a result, even workload distribution has occurred. This implies that there is no early procurement planning practice and inefficient procurement implementation. Lack of support from the end users in plan preparation is due to lack of understanding of their roles in preparation of procurement planning.

This research paper, therefore, initiated to assess the practice of procurement planning and its implementation preparation in the Office of UNDP Ethiopia.

### **1.3 Research Questions:**

- ➔ What is the practice of procurement planning preparation?
- ➔ What is the contribution of stakeholders in preparation of procurement planning?
- ➔ What is the extent of procurement planning implementation?

### **1.4 Objectives of the Study**

#### **1.4.1 General Objectives**

The General objective of the study is to assess the procurement planning practice and the implementation of the procurement plan UNDP Ethiopia Country Office.

#### **1.4.2. Specific Objectives**

- ❖ To assess the practice of the procurement planning preparation in UNDP Ethiopia Office;
- ❖ To examine the role of procurement requesting units in procurement planning preparation.
- ❖ To assess the implementation of procurement planning in UNDP Ethiopia Country Office.

### **1.5 Significance of the Study**

This study is significant to the International public sector organizations to meet the satisfaction of their stakeholders, related to efficient and effective procurement services delivery in developing countries, specifically in UNDP Ethiopia Country Office by filling gaps in empirical evidence related to role of procurement planning in implementation of procurement functions and the role of requesting units in procurement planning preparation..

The procurement planning and implementation of procurement function depend on external and internal factors such as competency of the procurement staff and support of

the top management and the end users. Due to the lack of understanding of the role of procurement planning, many organizations may not take procurement planning seriously. This results inefficient implementation of procurement function.

Therefore, the result of this study will help to the top and middle management, procurement and the requesting units of the organization to set-out ideal mechanism, monitoring and controlling system to comply to the requirement of Programme and operations policies and procedures of their organization for effective and efficient procurement management to contribute to achieve the organizational goals through effective and efficient service delivery.

Moreover, this study will come up with guiding points for future research on the subject of the contribution of procurement planning for efficient and effective implementation of procurement functions to achieve organizational objectives.

## **1.6 Scope of the Study**

The research focuses, among the diversified factors, only on the practice of procurement planning: timely need identification and assessment, market assessment, specification preparation, consolidation of needs at office level, cooperation between procurement and end user units in planning, timely solicitation, evaluation, and contract award and contract implementation or administration in UNDP Ethiopia Country Office. Though UNDP operates in 166 countries including in its Head Office in New York. The research covers only UNDP Ethiopia country office.

## **1.7 Limitation of the Study**

- ❖ The procurement planning and implementation function depend on external and internal factors such as competency of the procurement staff and support of the top management. However, time and resource limits to grasp these factors in the study.
- ❖ Majority of the staff were also on field mission so that the number of the survey respondents is limited to only 45 staff out of 77 total staff. The researcher did not capture the opinions of the organization's customers and staff sitting in government

organizations for their satisfaction for procurement services delivery due to lack of resource..

- ❖ An empirical evidence related to the study's topic in Ethiopia and specifically in the organization itself was also difficult to find.
- ❖ Last but not least, some of the respondents were not willing to give their opinions in fearing of losing their positions for providing organizational information. Some of the respondents of the survey were also busy on their regular works, meetings and on frequent field missions. These problems were overcome by providing enough time to the respondents and allowed them to administer the questionnaire themselves. The researcher also assured the respondents that the research was only for academic purpose and all information obtained will be treated with utmost confidential.

### **1.8 Organization of the Study**

The research paper is organized into five chapters. The first chapter starts with an introduction followed by background of the study, statement of the problem and continue with the research question, objective of the study, significance of the study, the definition the scope, limitation of the study and organization of the study. The second chapter looked into some previously conducted related researches and literatures on the subject. The third chapter was solely devoted for the research methodology. The fourth chapter dwelled and presented research findings, data analysis, and presentation and interpretation of the findings. The last and the fifth chapter focused on the conclusions reached and the recommendations forwarded.

## **CHAPTER TWO**

### **LITRATURE REVIEW**

#### **2.1 Introduction**

This chapter presents the theoretical framework and conceptual framework of the study. Specifically, it discusses about meanings, concepts and role of procurement planning in implementation of procurement processes, theories and approaches of procurement planning concepts in public procurement process and the relationship between Procurement planning and the rest procurement functions.

Good research should be based in Theory (Defee et al, 2010).This research will be guided by procurement theory and the working procurement manuals of different countries, UN organizations and specifically, the UNDP procurement Manual.

#### **2.2. Procurement**

##### **2.2.1. The Concept of procurement**

Procurement is acquisition through purchase, rental, lease, hire purchase, license, tenancy, franchise, or any other contractual means, of any type of works, services or supplies or any combination (Wambui, 2013; Thai, 2007, 2009; Kalubanga, 2012 and Ester W. and Makabira D.2014).(Farrington& Lysons (2006) also argued that procurement is the process of obtaining of goods and services in a way, including borrowing, leasing and even force of pillage.

Kalunbanga ( 2012) and Qiao and Wang .(2011) further define procurement broadly that it is a process of acquiring goods, works and services from suppliers that provide the optimum combination of whole life costs and benefits to meet the customer's requirements. It is a means whereby organizations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms

of generating benefits not only to the organization, but also to society and the economy. It contributes in minimizing damages to the environment.

The definition implies that procurement is a process to obtain goods, works and services at the best possible costs to meet the needs of the end user in terms of quality, quantity, time and location. The cycle starts from need identification to the final life of an asset (UNDP Fin. Reg. 21.01(a) (March 2005).

Mamiro (2010) and Arrow Smith et al. (2000, 2010) also revealed that procurement is performed through a logical flow of activities and predetermined time limits. It includes selection of supplier and contract award management, and disposal of the asset.

Procurement is, therefore, a comprehensive process comprising procurement planning, bid solicitation, evaluation, contract award, contract management, performance evaluation and auditing (Beshaka, 2008; Ester and Makabira, 2014; Mamiro, 2010; Kalubanga, 2012) as demonstrated in figure 1.

## **2.3. Public Procurement**

### **2.3.1 Meaning of Public Procurement**

Public Procurement refers to the government's procurement activities to obtain goods, works and services which contributes to carry out its functions (Arrow Smith, 2010). Governments allots and execute significant amount of country's GDP for procurement (Thai, 2009; Kalubanga, 2012). The procurement expenditure has a substantial impact on countries' economic performance and community wellbeing as it enhances achievement of socio-economic and political goals and government's service delivery (Basheka, 2008; Wambui, 2013; Onyango, 2012; Mathew and Patrick, 2013).

Policy makers uses public procurement as a tools to address social, economic, political and environmental issues (UN, 2012). Public procurement is , therefore, one of the most legislated and regulated field of government function that requires to be efficient and effective while spent public fund for acquisition of goods and services to the highest benefit to the public ( McCue, 2004 and Thai, 2007, 2009).

The objective of procurement is to contribute to the organization in achieving its corporate goals through supporting organizational mandates on a daily basis. Therefore, procurement objective must be aligned with overall organizational objectives (Giunipero R.B.et al, 2010 and UN, 2012).

UN system, including UNDP, as a public sector organizations, are the stewards of the public funds which have been provided in trust by people through their governments to fulfill specific purposes such as provision of social services, humanitarian reliefs, peace building and keeping, rehabilitation and development of economies are among others. UNDP is, therefore, required to demonstrate to the taxpayers, interesting stakeholders and the public at large that the procurement function is performing efficiently and effectively (Thai, 2009; Beshaka, 2008, ). Effective and Efficient Procurement management is, therefore, a mandatory requirement to achieve UNDP objectives.

The primary objective of UNDP procurement is achieving value for money in all procurement processes (UNDP POPP, 2013; Thai, 2009). It is a mandatory that all procurement transactions should be carried out based on the highest degree of public trust and at impeccable standard (UNDP, 2013; UNOPS, 2014).

Public procurement management function is required to ensure that the public procurement principles are applied in the procurement processes (UNDP POPP, 2013; UNOPS, 2014, Thai, 2009).

### **2.3.2 Principles of Public Procurement**

Public procurement principles are the foundation of public procurement that must be given due consideration while executing Public procurement using public fund (Lynch, 2013; UNDPPOPP 2013, and the Research unit of Malesian parliament .2013; UNOPS, 2014; UN. 2012). It implies that government procurement is governed by the organizational principles.

The basic UNDP procurement principles are best value for money, fairness, integrity, transparency; effective international competition; objective of the procuring organization.

According to the UNDP Financial rules and procedures (2005) and the UNDP POPP (2013), these principles must be provided due considerations while spending UNDP fund.

The core procurement principle of UNDP and other UN System is Value for money which is the process of ensuring that the goods, services and works being acquired are suitable for requirements through the consultation between procurement and end user experts in drafting specification in a way to avoid over or under specify and to attain the best available based on actual need identification and the market situations (Mamiro, 2010).

### **2.3.3 Role of Public Procurement**

Public procurement has become a very complex function of government that handles a great proportion of public fund. It serves as a policy to address public issues related to social, economic, and political and environment. Public procurement function, therefore, faces numerous challenges such as political, economic, legal, technical, and environmental factors (Garcia R, 2009; Thai, 2009; Tukamuhabwa B., 2012).

Public sector procurement is one of the function that executes significant amount of public fund (Beshaka, 2008, Tukamuhabwa B., 2012). Some of the roles of public procurement are:

**First**, it executes significant amount of expenditure on procurement (10%-30% of countries' GDP). The total amount of procurement in the UN system was approximately USD 8.3 billion in 2005 and 30% was the UNDP share. UNDP Ethiopia office procurement performance for the years covered 2011, 2012 and 2013 showed that USD 13million, 11.65million, and USD 17 million respectively.

**Second**, public procurement has been served as an important mechanism for attaining economic, social, political goals among the others. Public procurement is, therefore, a very sensitive and challenging area which faces a competitive demands from the public. As a result, public procurement management is required to do more with less and speedy service delivery to meet the end users' needs under budget constraints (Beshaka, 2008).

**Third**, public procurement has been considered as an area of waste and corruption. The government procurement management needs to recognize the fundamental objectives of

the public procurement in relation to efficiency and effectiveness, fairness, openness, competition, transparency, accountability and conflict management in all the procurement process (Garcia R, 2009).

**Fourth**, effective and efficient management of procurement function is required by the taxpayers, other stakeholders and the public at large.

UNDP is also required to demonstrate that effective and efficient procurement management is in place in a way that can contribute the achievement of development goals and its other objectives. The overall efficiency and effectiveness of public sector management has the power to contribute to a better allocation of resources towards development objectives, specifically millennium goals in relation to UNDP mandate (Wambui, 2013, UNP POPP, 2013).

Calender G. et al (2007), also explained that the public procurement is often in the media headlines around the world for negative reasons such as corruption, efficiency on budget utilization and not delivering required public services to specified performance levels and standards.

Beshaka (2008) stated that management of public procurement function has a critical role in ensuring good governance as the government's service delivery function depends on the effective and efficient public procurement process.

The specific objectives of public procurement is to award timely and economical contracts to capable contractors, suppliers and service providers for providing of goods, work and services to support government and public services operations in accordance with the requirement of the principles and procedures established in the public procurement rules to obtain goods, services and works needed by the government on the best available terms which include required quality, reasonable cost and timely delivery ((Lynch ,2013; UNDP POPP;2013, UNOPS, 2014).

## **2.4 Features of Public Procurement in UNDP System**

Thai (2009) explained that UN System is a public procurement. The author further elucidated UN system as:

*“Although the United Nations System (hereinafter, the UN System) is not a country, it is the largest group of international organizations and surely a group of public entities composed of member states, whose functions are essential for the international society. There is, actually, a public procurement system in the UN System too.”*

The procurement operations of the UN System is not like others but it works to save lives and people depend extensively on the success of international operations which try to alleviate, stabilize such serious situations. Procurement plays an essential part of the implementation of various missions of the UN organizations.

Procurement planning is therefore an integrated approach that ensures procurement activities contribute to the achievement of project outcomes through timely conducting and at a reasonable cost and ensure effective project and risk management, and therefore to overall performance of the organization (UNDP POPP, 2013).

## **2.5 Procurement Cycle**

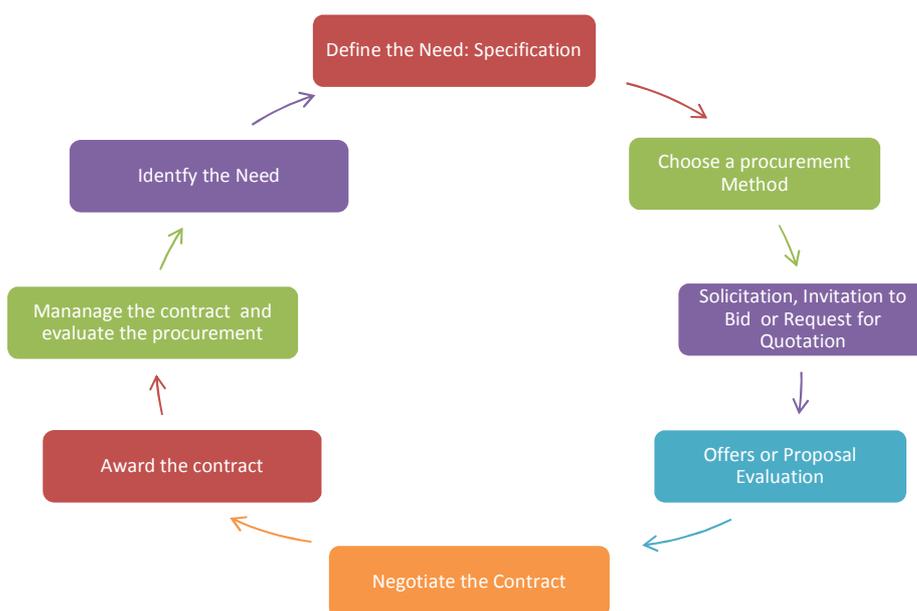
The term procurement process designates the stages that public organizations follow in acquisition of goods, services and works. It is a conventional method to follow to acquire the needs of an organization for goods, services and works for its function (Giunipero et al, 2010).

Baily et al, (2008) concurred that the procurement cycle indicates the main activities in which the procurement function is involved. It is required to perform through a logical flow of activities and predetermined time limits all of which have got cost implications.

A procurement cycle is a road map of the activities within procurement function. It establishes key activities required at every stage of the procurement process ([www.arpapress.com](http://www.arpapress.com)). Lyson and Farrington (2006) similarly portrayed that procurement process is a chain that shows the activities that procurement passes through in obtaining a given need for operational and strategic purposes. Musanzikwa (2013) specified that procurement is a process that covers the activities from need identification to contract monitoring.

The process can be simple or complex depending on the nature of the goods, works and services to be procured. Therefore, all steps may not respect for micro procurement as compare to complex procurements (Basheka, 2008).

Figure 1. Generic Procurement Cycle (Source: UNDP POPP, 2013)



## 2.5.1 Procurement Planning

### 2.5.1.1 Planning as a Management Component

Why planning is required? Coulter and Robbins (2012) provided four reasons to answer the question. Planning gives directions to staff to achieve organizational goals efficiently. It enables to look ahead, anticipate future change and able to develop effective responses. Planning minimizes wastage and gives coordinated efforts to eliminate inefficiency. Planning establishes goals and these goals serve as a benchmark against which

monitoring and controls will be undertaken. PME (2009) elucidated four important benefits that make planning worthwhile.

**First**, planning enables us to know what should be done when. This implies that without proper planning, projects can be implemented at wrong time or in the wrong manner.

**Second**, planning helps mitigate and manage crisis and ensure smoother implementation. It indicates that planning helps to reduce likelihood of change effects.

**Third**, planning improves focus on priorities and leads to more efficient use of time, money and other resources.

**Fourth**, planning helps determine what success will look like. This shows that planning helps to know whether the achieved results are as intended or not. Planning is therefore a function that is a prerequisite foundation for the rest of management functions.

Basheka (2008) argued that public procurement management includes the broader management function of planning, organizing and leadership, staffing, controlling, and communicating procurement processes and activities across the spectrum of the upstream supply chain activities of the organization.

#### **2.5.1.2 Concept of Procurement Planning**

Basheka (2008) defined Procurement planning as:

*“Procurement planning is the primary function that sets the stage for succeeding procurement activities. It fuels and then ignites the engine of the procurement process. It is the sequence used by companies or public organizations to plan purchasing activity for a specific period of time. Usually, it is prepared during the annual budgeting process, preferably in the fourth Quarter of each year and followed with a detailed Procurement Plan”.*

Procurement planning is further defined as (<http://procurementmonitor.org/index.php>):

*“Procurement planning is the process used by procuring entities to understand, and sequence activities in a procurement process in a way that achieve project or Programme objectives within a given period of time. The primary conceptual justification for procurement planning is that advance planning, scheduling and group buying will result in cost*

*saving, more efficient operation and therefore improved uses of public funds”.*

Both definitions specify that procurement planning is the foundation for the rest procurement functions that contributes and ensures for the success of public operations in efficient and effective service delivery.

Planning function covers a range of activities that include: Identification needs for goods, works or services, market assessment, estimates costs, allocate resources, schedule time requirement for procurement process, identify risks and its mitigating, analysis and aggregating the needs to obtain scale and reduce procurement costs and integrating its procurement expenditure into its yearly budget (Mamiro, 2010; Davis, 2014, Arrow smith et al (2010), OECD (2007, 2009).

Kalubanga (2012) added that the procurement cycle include procurement planning, bid solicitation, evaluation and contracting, monitoring and expediting the delivery as specified in the contract.

Procurement department serves as interface between internal and external parties. It formulates (Sollish and Semanik, 2012).

Specific to UNDP procurement function, Its Financial Regulation and rules No.12.03 (2005), defined procurement planning as:

*“UNDP holds that procurement forecasting and delivery is essential to effective project and risk management, and therefore to overall performance of the organization. The Procurement Forecasting and Delivery methodology reflects UNDP’s belief that effective and efficient procurement requires early and accurate planning”.*

It implies that procurement planning is an integrated approach that ensures procurement activities contribute to the achievement of project outcomes by being conducted in a timely manner and at a reasonable cost. Most of the savings achieved in procurement are achieved at the procurement planning cycle or stage (UN, 2012).

The primary function of procurement planning include early planning, scheduling and aggregating of requirements to achieve cost savings, efficient business operation, and increase value for money. (Guyana: Procurement Planning Manual, 2010).

Poor planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of the skills of staff responsible for procurement are some of the major setbacks in public procurement (Mamiro, 2010). Therefore, the inefficient use of funds can be generated from problems across the entire procurement processes: from identification of needs, solicitation and offer evaluation, lack of transparency and competition in the process, award of contracts and poor contract supervision (Basheka, 2008).

The UN Procurement practitioner's Hand Book (2012) defines the role of procurement planning as:

*“Procurement planning allows to monitor performance, effective and timely solicitation of offers, award of contracts and delivery of the goods, services and works required, reduce delays in procurement and timely delivery to project sites, enhance early identification of right commodities and quantities to meet Programme needs, sourcing the right suppliers on time to avoid cutting corners and rush procurement to meet deadlines or budget expenditure, facilitate effective supply strategy and timely Programme and project implementation, avoid unnecessary exigencies and urgencies, enabling full competition and full compliance with standard rules and procedures and Permits sufficient time to fully explore alternative procurement approaches”.*

Procurement planning is the primary process and function of procurement that determines the activities of the subsequent procurement functions (Beshaka, 2008).

### **2.5.1.3 Procurement Planning Process**

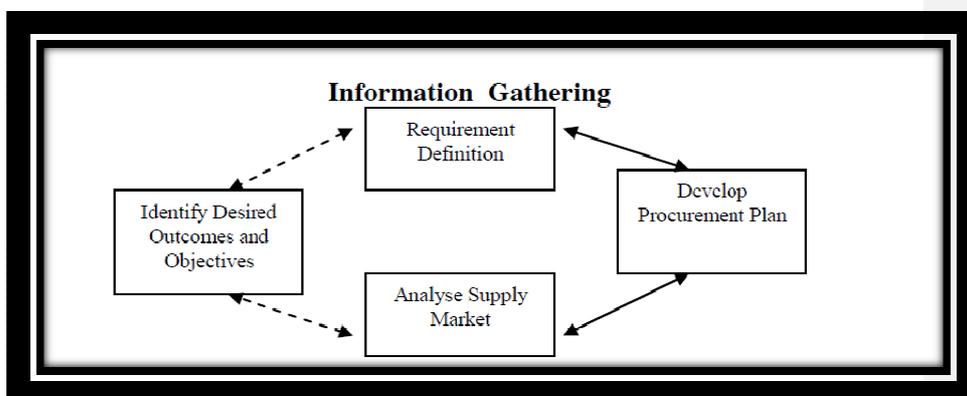
Procurement planning is an important process for achieving organizational targets. (Abada et al, 2014). The planning process addresses the function of identification needs for goods, works or services, market assessment, estimates costs, allocate resources, requirement definition, scheduling of time requirement for procurement process, risks identification and its mitigating, analysis and aggregating the needs to obtain scale and reduce procurement costs and integrating its procurement expenditure into its yearly budget (Mamiro, 2010; Davis, 2014, Arrow smith et al (2010). It is considered as part of the program planning process (UNDP POPP, 2013).

As a result, planning facilitates the implementation of the subsequent procurement functions. This implies that without systematic procurement planning, the procurement function will not produce results to meet the needs of user organizations timely, at reasonable cost where and when they required (Beshaka, 2008, Musanzikwa, 2013). Unless needs identified and described in the form of specification or statement of work properly based on the market assessment, procurement process will not be successful (Semanik and Sollish, (2012).

In UNDP, the procurement planning passes through need identification, requirement definition based on market analyses and then plan and schedule the activities to achieve the requirements timely, efficiently and effectively in a manner that contributes to the achievement of organizational goals as depicted in figure 2.

**Figure 2. Procurement planning process (Source: UN 2012).**

### Information Gathering



Procurement Plan can be developed for a particular requirement, a specific project, or for a number of requirements for one or many entities in the public or private sectors (Jorge Lynch (2013) and UNOPS (2014).

The procurement plan should be integrated into the annual and multi-annual sector expenditure Programme. A procurement unit uses the combined work plan to plan,

organize, forecast and schedule the procuring entity's procurement activities for the current year. The Plan lists all requirements expected to be procured over a period of time and the procurement process up to contract award and the fulfillment of the requirement. It allows for the consolidation of similar requirements under one contract or the division of a requirement into several contract packages for economies of scale. One of the most importance of procurement planning is that it serves as a tool for the monitoring and evaluation of procurement performance and auditing to determine how actual performance compares with planned activities. It enhances the transparency and predictability of the procurement process (Beshaka, 2008).

The absence of annual procurement plan in most countries is considered as a main causes of cost incurring that create troubles to achieve value for money objective of a public organizations due to lack of transparency , fairness, openness process. Government procuring entities should have annual procurement plans to escape emergency requests for procurement, and to aggregate requirements to reduce procurement costs due to selection of suitable procurement methods and at the same time it achieves value for money objectives ( Mamiro,2010).

#### **2.5.1.3.1 Need identification in procurement planning stage**

The first step in procurement planning is need realization and definition (UN, 2012; CIPS, 2012). The need, naturally, occurs due to lack of goods, services and or specific abilities needed by the public consumers (Thai, 2009). The need assessment is also the process of exact identification and specification of needs in terms of quantity and quality (Thai, 2009). It is a rational need identification considering utilities and cost-benefit analysis (CIPS Course Book, 2012).

Need assessment is a foundation for an effective procurement process to avoid unnecessary investment and procurement of extra or less needs as compared to the actual requirement (Mamiro, 2010). Thai (2009) explains that the requirement identification and analysis is a critical function that identifies economic quantity, quality requirement, realistic price estimation and delivery time and lead to select the proper procurement method .All these functions can directly avoid biased decisions and unnecessary project costs. (Thai, 2009). The needs usually originated from project or Programme plans.

Based on the identified needs, procurement planning entails what needs to be procured, how these needs best meet, what best strategies to be deployed, setting time frame, suitable quantity, prior budget appropriation, developing feasible solutions for the identified needs (Onyango, 2012; Mamiro, 2010).

#### **2.5.1.3.2 Requirement Definition**

The second phase of procurement planning involves preparation of specification to explain the organization's needs to suppliers (CIPS, 2012; Musanzikwa, 2013). Definition of requirement starts when the need is identified. It is an integral part of planning activity (UN, 2012; UNOPS, 2014). When needs received from the end user in different forms, the procurement unit checks for its accuracy and conformity to standard specification to avoid non-value adding or to ensure that the specification precisely define the need for supply of good or services (Ndolo and Njagi 2014).

Specification serves as a means of communication to potential suppliers in the form of specification, service level agreement, contract terms which set out the obligations of supplier and buyer related to the fulfilment of the specification, key performance indicators or performance measures that will be used to confirm that the requirements has been met satisfactorily (CIPS Official Course Book, 2012). It ensures whether the procurement need is contributing to the achievement of the organizational strategic objectives.

Specification is a foundation for solicitation, evaluation, and contract award and contract implementation (UN, 2012; UNOPS, 2014).

The solicitation of procurement depends on the information provided in the procurement plan which identified during the procurement planning stage.

Specification is a means of evaluation of bids or proposals to ensure whether the intended goods, services and works meet the required needs. Good specification can support in achieving value for money in the procurement functions by providing clear specification of the requirements, avoiding over and under specification which can have costs in both cases (CIPS, 2012).

Specification is the heart of contract between the supplier and the procuring organization. It is, used as a performance monitoring tool to measure whether contractual performance meet the procuring organization's needs satisfactory.

The responsibility for preparing specifications resides with the using department. One of the vicious circles of corruption in procurement process is providing biased specification that influences the choice of procurement method and this should be avoided at the procurement planning to achieve value for money (Mamiro, 2010).

#### **2.5.1.3.3 Cost Estimation and budgeting**

The procurement needs must be captured in a monetary term which usually called budget based on current or up-to-date the market assessment to ensure estimation of realistic budget. The purpose of cost estimation is to recognize in advance what costs are expected for the purpose of comparing the actual cost against it. This amount will be placed in the procurement planning defined as plan budget cost which should be approved (CIPS Official Course Book, 2012; Wambui, 2010; Mamiro, 2010, UN, 2012, UN, 2012).

Procurement function cannot proceed unless the budget is approved and confirmed availability of the fund for the acquisition of the requirements. The estimated cost serve as monitoring and contract performance against the actual executed contract value to ensure the efficiency and effectiveness of the procurement management function. One of the setbacks of procurement function is that procurement planning is unrealistic requirement identification, specification and evaluation criteria, and market assessment and cost or budget estimation (Kiage, 2013).

Generally, well and clearly defined requirements , cost estimations is used as a factor that determines the Bid Solicitation, bid or proposal evaluation, award process, and contract monitoring and management with the involvement of the end user ( UNOPS, 2014; Kiage, 2013; UN, 2012; UNDP POPP, 2013; Beshaka, 2008; Mamiro, 2010).

#### **2.5.1.3.4 Aggregating of Requirements in Procurement Management**

Usually, the annual procurement plan prepares into two approaches depending on the appropriateness for the effective and efficient implementation of the public fund in

acquiring the goods, works and services. According to Jorge Lynch (2013), the Procurement Plan is the product of the procurement planning process. It can be developed for a particular requirement, a specific project, or for a number of requirements for one or many entities in the public or private sectors.

#### **2.5.1.3.4.1 Individual Planning**

Procurement planning takes place at department, Unit, Programme or project level (Wambui, 2013, Bureau of Public procurement Abuja, 2010). A project plan is a base for preparing an individual plan. The procurement unit then consolidates all the requirements stipulated in each project or Programme based on the best solution to obtain the needs.

#### **2.5.1.3.4.2 Consolidated Planning**

A procurement unit uses the combined work plan to plan, organize, forecast and schedule the procuring entity's procurement activities for the current year. Procurement schedule is followed to set timelines for carrying out each step. Therefore, Procurement plans of different units are combined into one single plan. The consolidated Procurement Plan provides an opportunity to identify economies of scale and better uses of resources, and providing an overview of the scale of the procurement activities (UN 2012, UNOPS, 2014). It increases the buyers' power that can enable to obtain competitive and better price and services and reduces procurement transaction costs. (Abada et al., 2014).

The consolidation of requirement considers the market structure for the items required, items of similar nature that can attract potential suppliers, the size and types of contract to attract responsive competition, items that are subject to the same procurement method, items that are ready for bidding at the same time, needs that can place at the same contract conditions. (Wambui, 2010).

#### **2.5.1.3.5 Role of Stakeholders in Preparation of Procurement Planning**

Procurement planning calls for early involvement and coordination of the requesting units and the procurement professionals so that need identification, product specification

and statement of services, cost estimation, procurement method, delivery time, alternative solution like aggregating of needs will be on the agenda. The procurement experts usually offer inputs and advice based on past experience. It is the requesting unit that is considered the project owner who can make decision to proceed with procurement action. Some of the tasks of purchasing department include: Evaluate and select suppliers, review works, goods and services procured, serve as primary contact with suppliers, and decide how to procure (Giuniperson et al, 2010).

It is the role of every entity to define its procurement requirements, identify all of the items they need to procure and creating a comprehensive financial justification for procuring identified requirements, services, allocating timeframes and resources. Subsequently, Procurement office can quickly and easily define its procurement requirements, the method of procurement and the timeframes for delivery in the procurement plan (Wambui, 2013).

Wambui, (2013) further explained that every user unit or Programme is required to prepare a multi-annual work plan for procurement and submit to the procurement unit for execution of annual procurement activities.

Procurement planning and its implementation is seriously affected by lack of cooperation between procurement management unit and user departments (Beshaka, 2008). The lack of support from the end users is due to lack of understanding of the role of procurement in general and the procurement planning, specifically. Therefore, this case study will focus on the role of procurement requesting departments and procurement unit in the procurement planning stage.

UNDP's belief that effective and efficient procurement requires early and accurate planning through a joint effort by Programme and procurement staff in compliance with the policy requirement (UNDP FRR, 2005).

The Procurement unit has commercial know-how and disciplines to consult on requirement to avoid risk of legal dispute related to legal implications of the specification (CIPS Official Course Book, 2012).

### **2.5.2 Procurement Solicitation**

The procurement solicitation phase undertakes the activities of preparation of bid or proposal documents; provide adequate time to suppliers to prepare competitive bid or proposal; bid advertisement; issuing bid documents to vendors; provide clarifications timely and in a transparent way; receive bids or proposals on the specified bid submission date, time and place; and Open in a transparent way (Thai, 2009; UN, 2012; UNOPS, 2014).

The procurement solicitation phase activity depends on the information provided in the procurement planning for procurement methods, evaluation criteria, solicitation and bid opening dates and other requirements to be provided in the bid document.

### **2.5.3 Bids Evaluation and Selection**

The procurement needs which described in the form of specification as part of the bid document serves to communicate to suppliers to come up with optimal solution. It also provides a means of evaluating the quality of goods and services to be supplied (CIPS Official Course Book, 2012).

Evaluation of bids and proposals and awarding of contracts to suppliers is an important phase of the procurement process. The function is to analyses and evaluating bids and proposals against the specification developed in the procurement planning stage to verify the selected bid or proposal is in a position to supply the Goods, services or works as required. It confirm that proposals are assessed and evaluated in a way that it supports the achievement of project objectives (Musanzikwa, 2013).

Procurement planning which prepared with the involvement of the project managers, and experts leads to efficient and effective procurement process and the resulting contract also will have timely service delivery and satisfaction (Deme Andrea, 2009).

### **2.5.4 Contract Award and Management**

Contract management covers all the activities performed by both the procuring entity and the suppliers or contractors and service provider upon signing of the contract up to full

discharge of the obligations of each party under the contract. The procurement unit is responsible for the effective management of contract; to monitor timely delivery of goods and services in the correct quantities and quality specified in the contract and timely completion of works in accordance with the terms of each contract (Thai, 2009). The estimated budget affects the contract value of a contract.

The procurement planning influence all the future award decision and contract administration activities. Procurement planning minimizes the potential risks that relating to contract modification or variation. The contract amendment results variation of scope of the requirement. The underlining message here is that unwanted outcome can be avoided through early procurement planning (Deme A. 2009). Procurement needs that not properly identified results wastage of resources in the form of variation, features and functionality, quality or service levels and associated costs. It also creates dissatisfaction of the end users that affects the proper and timely implementation of the programs or projects at the final stage of the contract delivery (CIPS Official Course Books, 2012).

Specification, which is the detail definition of the procurement need, is the heart of contract between the supplier and buyer (CIPS Official Course Book, 2012). The procurement plan reduces costs related to multiple contracts and contract managements through consolidating or combined different needs of the Programme or units of an organization.

Lack of or ineffective procurement planning results failure to apply financial rules and procedure (FRR) and procurement principles. It also creates dissatisfaction of clients and damage to the credibility of the organization (UN 2012; UNDP POPP 2013; UNOPS 2014; CIPS Official Book, 2012).

### **2.5.5 Empirical Review**

A number of researchers have performed researches on procurement planning and implementation practices and gaps between the two important procurement functions (planning and implementation) globally in a specific public organization with in a country.

Among the researches, some of the research results which supposed related to the under consideration research topic are presented below.

Njeru and Nzau (2014) has undertaken a research on the research topic of “Factors affecting performance Public Universities in Nairobi. Their findings concluded that procurement requesting units need to submit their procurement plans to the procurement unit timely. The procurement unit also requires to implement the procurement process as planned (market assessment and cost estimation, planned time of delivery). Abada, Brahim and Muhindo (2014) point out by their research that there was no cooperation between the procurement unit and user departments in procurement planning preparation and implementation of the procurement plan. Moreover, their findings indicate that user department staff (Tanzanian Postal Bank Office) were not aware about the need of procurement planning. Finally they recommended that user departments should know the requirement and importance of the procurement planning for proper procurement process and timely service delivery.

Makabira and Ester. (2014) similarly have undertaken a research on the role of procurement practice on performance of Corporate Organization in Kenya. Their findings revealed that procurement planning and monitoring found the most important functions to organizational procurement performance to achieve the organizational objectives. Similarly, Wambui (2013) also has conducted a research on role of procurement on organizational performance in Kenya. The findings indicated that the procurement function has been considered as a secondary duty which do not have important role for achieving of organizational objectives. The researcher recommended that the concerned organization should develop a forceful regulation that guide all staff to work with the requesting units in a coordinated way. Besides, the recommendation of the research was to include in the curriculum in the bachelor of education.

Kiage (2013), Musanzikwa (2013) and Onyanga (2012) have undertaken different researches on effect of procurement planning on organizational planning in different organizations. The findings of these research results indicated that procurement planning results effective and efficient contract management, procurement is a vital function for the for the success of an organization, confirmed that there is a strong relationship between procurement planning and performance of an organization.

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Research Design**

The study was undertaken by using a descriptive case study. Descriptive design is more suitable to describe systematically a situation, problem, service or Programme in more detail. Since descriptive research is about describing how reality is, it is appropriate to get information concerning the current situation of the service or Programme.

#### **3.2 Sampling and Sampling Technique**

##### **3.2.1 Sampling Techniques**

The purpose of sampling is to gain an understanding about some features or attributes of the whole population based on the characteristics of the sample. When the investigator is interested in a particular type of persons, he can find as many such people to focus on and this approach which is called purposive sampling (Beins, 2009). It is a nonprobability sample that conforms to certain criteria. This method exposes the researcher to various stakeholders who have different experiences with the issues of the study.

Hence, the study employed a purposive sampling method. The respondents were selected purposefully from the payroll lists of individuals working in operations and Programme units. All the samples have roles in procurement process as customer of procurement

unit. The staff of procurement units are also internal consultants related to procurement functions to the requesting units.

### 3.2.2 Target Population

Sampling is that part of the statistical practice concerned with the selection of individual or observations intended to yield some knowledge about a population of concern, especially for the purposes of statistical inferences. As per Kiage, (2013) a researcher must have to use 30% of the total target population as a sample size for it to be accepted as a good representative sample.

UNDP Ethiopia Country Office has 77 employees. The organization is structured into Programme and Operations. The Programme sector has four units and Operation also has six units and both are clients of the procurement unit.

The Survey focuses on both the Programme and the Operation staffs as they have full responsibilities and roles in procurement plan preparation and implementation of the annual work plan and budget of their respective programs. Moreover, they have different experiences in relation to the impact of procurement process and delay on their project implementation. The research targeted at least on 30% of the total population. As shown in Table 3.1, samples of 45 staffs were selected from all departments. Among them 21 staff (64%) were from operation and 24 staff (61%) from programs. In total this represents more than 57% of the accessible population that is generally recommended by social researchers like Mugenda and Mugenda, (2003).

Table 3.1: Sample Size determination

Units	Number of Employees	Sample Size		Filled and returned	Percentage (%)
CRGG	8	6		6	75
EGPR	4	4		2	50
DGCB	7	4		4	57
PAU	8	4		4	50
PMSU	9	5		5	56
ICT	2	2		1	50

GS	7	1		1	14
RCO	8	4		4	50
Operation	3	3		2	67
Finance	9	6		6	67
HR	5	4		4	80
Procurement	7	5		5	71
Total	77	45		45	57

### 3.3 Sources and Tools of Data Collection

#### 3.3.1 Primary Data Collection

Krishanswamy et al. (2006) asserted that Primary data in research studies can be collected using questionnaires, interviews, observations, or special techniques like video or audio or a combination of more than one data collection procedures. Kothari (2008) stated that questionnaire is very economical in terms of time, energy and finance. It is a research instrument that gathers data over a large sample. The advantage of the questionnaire over other instrument is that the opportunity for bias is less since it is presented in paper form and confidentially upheld. Moreover, it is more appropriate to get information from busy staff who have no time to sit and give interview.

The study employed a self-administrated questionnaire method with Likert scale Point 5. Majority of the staff were busy, on field mission and meetings. As a result, it was difficult to conduct interview in addition to questionnaire. The questionnaires were administered using drop and pick later method. Despite, to the busy nature of the workforce, the researcher received fully filled questionnaire after three weeks. The questionnaires cover the procurement process which include need identification, market assessment, specification preparation, cost estimation, consolidation of procurement needs, cooperation between stakeholders in procurement process, bid advertisement, bid evaluation, contract award and contract management.

### **3.3,2 Secondary Data Collection**

The secondary data sources were gathered from official sources from UNDP like Manuals, IPSAS reports, statistical data, publications), books, journals, internet sources, research findings of various scholars on the topic under investigation, and other publications

### **3.4. Data Analysis**

Data is only useful after analysis and it deals with the conversion of a series of data gathering into information statements which is classified in terms of means, percentage, distribution and so on (Krishnaswamy et al, 2006).

Kiage J (2013) asserts that there are three objectives in data analysis; getting a feel for the data, testing the goodness of the data, and answering the research question. He notes that establishing the goodness of data lends credibility to all subsequent analysis and findings because it measures the reliability and the validity of the measures used in the study.

The study used latest Statistical Package for Social Sciences (SPSS 20) and latest Microsoft version of Excel to generate frequency distributions to using descriptive statistics in order to examine the pattern of the response. The findings were presented in the form of tables and graphs, pie charts, column and bar charts. Moreover, Cronbach's alpha reliability test was employed to ensure the data collection procedure yields consistent findings.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSIONS**

#### **4.1 Introduction**

The purpose of this chapter is to present the research findings, dataanalysis of these questionnaire response results and interpretations of the findings. The presentation of data analysis includes demographic information of the respondents, response rate and presentation of findings against the objectives of the study. The data analysis and presentation were based on responses obtained from each line item in the questionnaire.

The questionnaire contains the background information of the respondents, the role of procurement planning which consist:need identification, specification preparation, and cost estimation, need consolidation, role of stakeholders and the implementation of procurement. In addition bid advertisement, bid evaluation and contract administration were also analyzed.

##### **4.1.1 Demographic Information**

The researcher analyzed the background information of the respondents using the demographic information of the respondents. The questionnaire comprises of age, work

experience in the organization, level of education and occupation or the unit that each respondent is involved.

#### 4.1.1.1 Age of the Respondents

The finding indicates that 53% of the respondent were between 31 and 40 years age and 26.7% were also between 41 and 50 years old. Only 4% were between 21-30 years old. The response rate implies that staffs are within the age range of 31-40 responded to the questionnaire.

**Table 4.1 Respondents' Age**

Age Range	Frequency	Percent	Cumulative Percent
21-30	2	4.4	4.4
31-40	24	53.3	57.8
41-50	12	26.7	84.4
51-60	7	15.6	100.0
Total	45	100.0	

#### 4.1.1.2 Respondents' Level of Education:

As summarized in table 4.2, the research finding revealed that 77.8% of the total respondents have Master's and above degree and 20 % the respondents were first degree holders and 2% have diploma. This shows that majority of the respondents were 2<sup>nd</sup> degree holders and aboveso they were appropriate for the study.

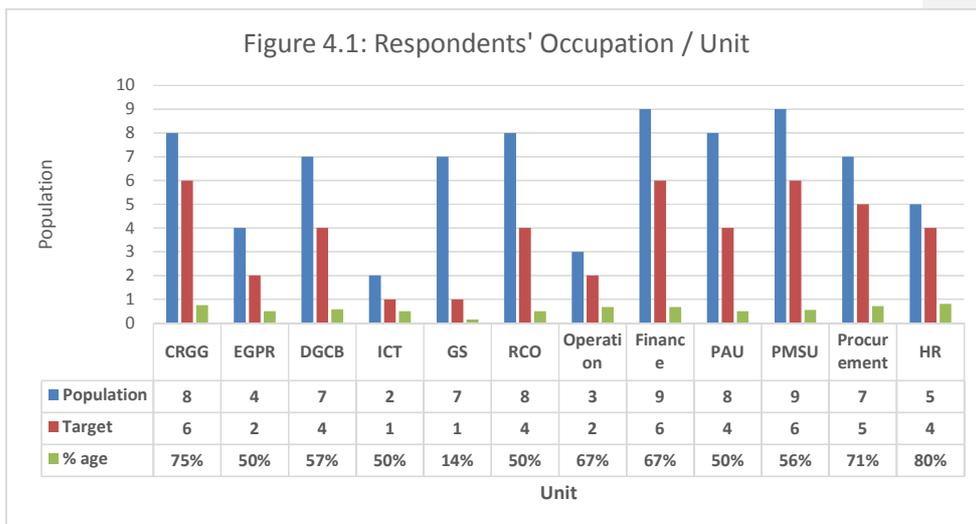
**Table 4.2: Respondents' Education Level**

Educational Level	Frequency	Percent	Cumulative Percent
Diploma	1	2.2	2.2
Degree	9	20.0	22.2
Masters+	35	77.8	100.0
Total	45	100.0	

#### 4.1.1.3 Respondents' Occupation or Unit

All units in the organization are taken as clients of the procurement unit. Though Programme units have high volume of procurement budget, all units of the organization are given equal opportunity to observe the practice of procurement planning and procurement implementation in the organization. Therefore, all of them have interventions in the procurement process. As depicted in figure 4.1, the finding revealed that 50%-80% of each unit's staff have responded the questionnaire. However, only 14% of General Service unit's staff have responded to the questionnaire. This is due to the fact that apart from the Head of the unit, the rest are drivers who do not have direct role to get procurement services.

**Figure 4.1: The respondents' Occupation or Unit.**

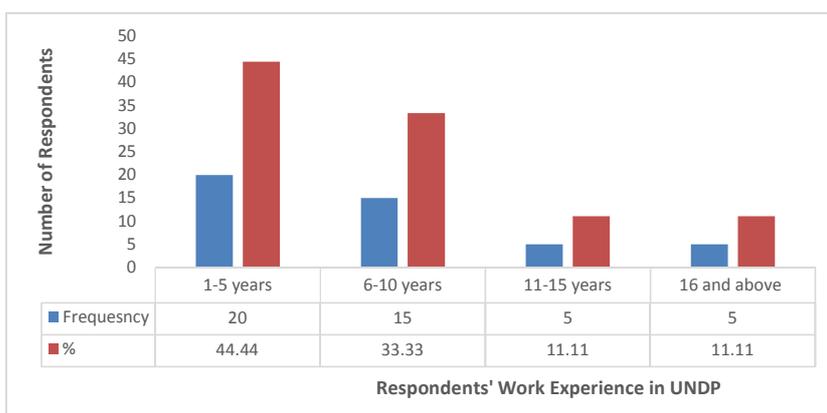


#### 4.1.1.4 Respondents Work Experience in UNDP

As shown in figure 4.2 below, 33% of the respondents have 6-10 years of work experience in UNDP. 11% of them also have 11-15 years and 16 and above years of work experience in the organization. The remaining 44% of respondents worked 1-5 years.

This implies that 55% of the respondent have more than 6 years of work experience in the organization so they were relevant to give valid information or responses to the research questionnaire based on their long time observation and experiences.

**Figure 4-2: Respondents' Work Experience in UNDP**

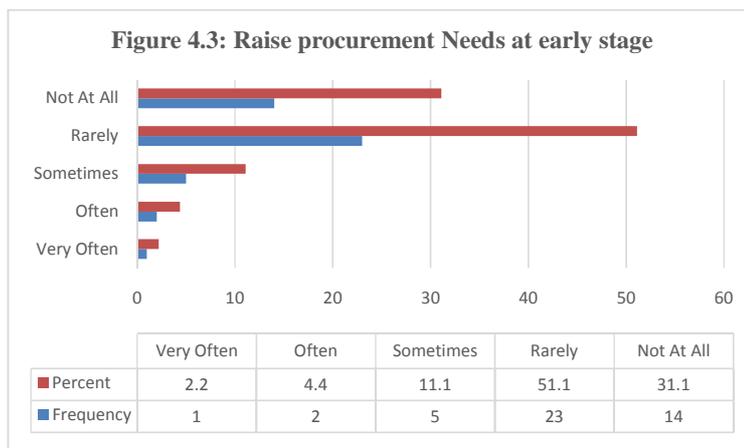


## **4.2 The practice of procurement planning preparation in UNDP Ethiopia Office.**

### **4.2.1 Early needs identification**

Need identification is one of the primary activities of procurement planning processes. Under this subtopic of procurement planning activity, the respondents were asked nine questions and the survey responses are presented below

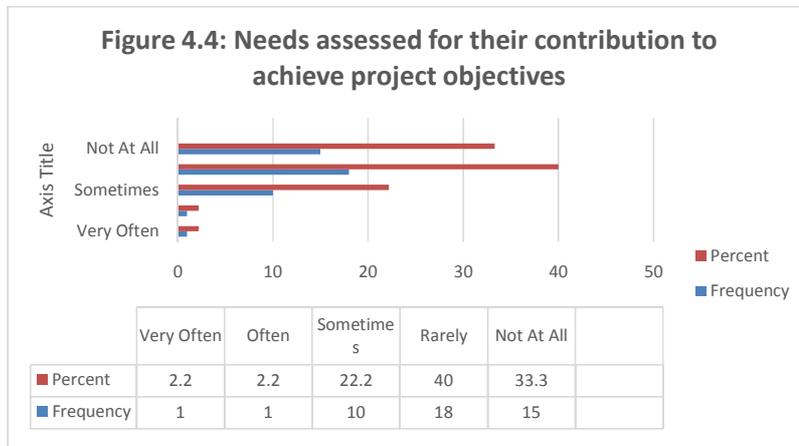
**A) Raise procurement needs at early stage of fiscal year.**



The research findings related to needs raise at early stage question revealed that 2 % of the respondents agree that procurement needs are very often raised at the beginning of the year, 5% responded and 11% gave their opinion as often and sometimes. 51 % of the respondents replied that organizational procurement needs are raised rarely initially. The remaining 31% of the respondent answered not at all.

The findings indicated that practice of the organization in regard to early procurement need identification was applied rarely. Need identification and assessment is a basis for effective procurement process which will help to avoid extra investment or underestimation of needs.

**B) Procurement needs assessment for their contribution to achieve organizational objectives**



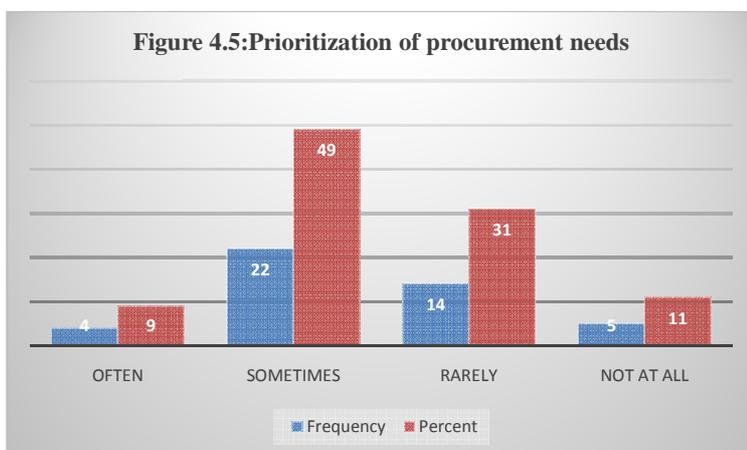
The research findings (figure 4.4) portrayed that 33.33% of the respondents replied not at all to the question. 40% also responded rarely assessed for their contribution to achieve the project's objectives. However, 22% of the respondents answered that needs are sometimes assessed to ensure that whether the items can contribute to achieve the

intended organizational objective. Among the respondents, 2.2 % responded that procurement need is assessed in the organization very often and another 2.2% of them also gave their opinion that procurement needs are assessed often.

The implication of the research finding is that the need for procurement of goods and service is not monitored to ensure that the goods and services contribute to achieve the program objectives.

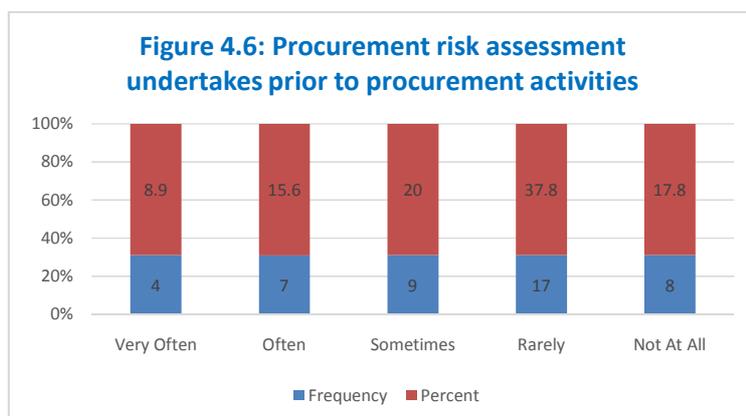
**C) Procurement unit prioritizes the procurement needs of the end users.**

The study found out that 9% of the respondents confirmed that the procurement unit of the organization prioritizes the procurement needs received from the end users often and 49% of them answered that the procurement prioritization is sometimes undertaken. Similarly, as shown in figure 4.5, the findings showed that 33% of the respondents answered rarely and 11% responded to the question not at all. The research finding indicates that the organization is not prioritizing the procurement needs of the end users.



**D) Procurement risk assessment undertakes in the organization prior to procurement activities.**

Procurement risk assessment task is a critical function related to market assessment to ensure whether potential suppliers are available, to know the market structure and other important functions.



The result of the study findings showed that 8.9% of the respondents replied that procurement risk assessment is undertaken in the organization prior to procurement activities very often. 15.6% of them also provided their opinions that it is often assessed and 20% of the respondent replied that it is assessed sometimes. However, 37.8 % of the respondent answered to the study question that it is rarely applied and 17.8% of them also replied not at all.

However, procurement risk assessment task is a critical function related to market assessment to ensure whether potential suppliers are available, to know the market structure and other important functions.

**4.2.2 Preparation of specification**

Preparation of specification is one of the pre-requisite before actual procurement activity starts. The survey respondents were asked three questions related to the practice of specification preparation by the requesting units and completeness of it.

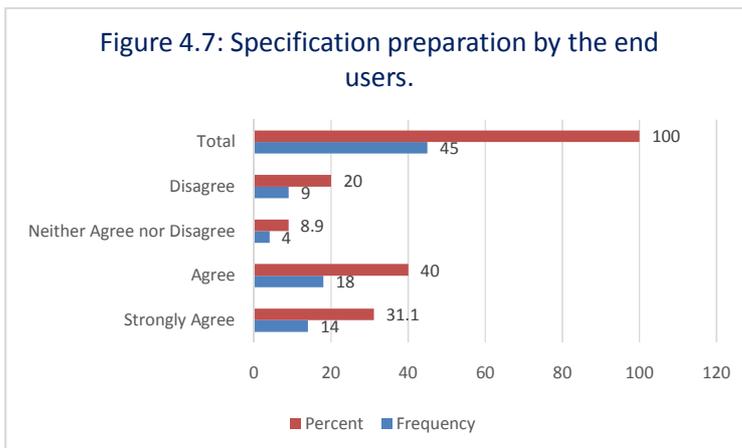
**a) Requesting units prepares specifications for their needs for procurement of Goods and services timely**

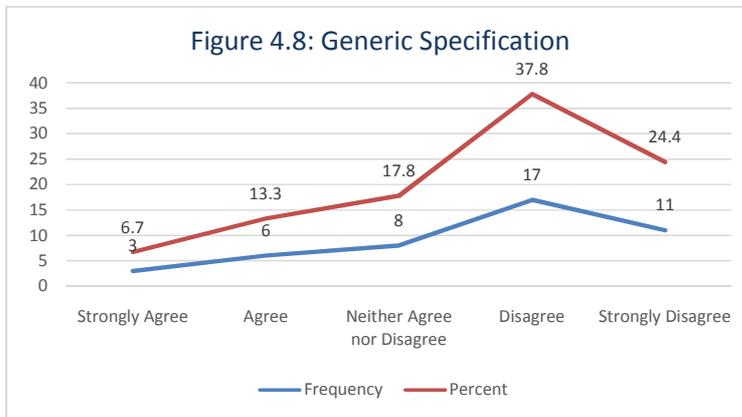
Requesting or end user of the products or services take the role to prepare specifications for their needs for procurement.

The finding of the study indicated in figure 4.10 shows that 31.1 % of the respondents strongly agree that the end users prepare specifications for their need for procurement and 40% of them also responded agree. However, 20% of the respondent disagreed

The procurement unit is also responsible to review the specification to ensure whether the specification are generic that could attract potential suppliers to quote their products competitively.

The findings shown in figure 4.11 indicated that 6.3% of the respondent strongly agree and 13.3% agree that the requesting unit prepares generic specification. However, 24.4% of them replied disagree and 37.8% also answered strongly disagree.



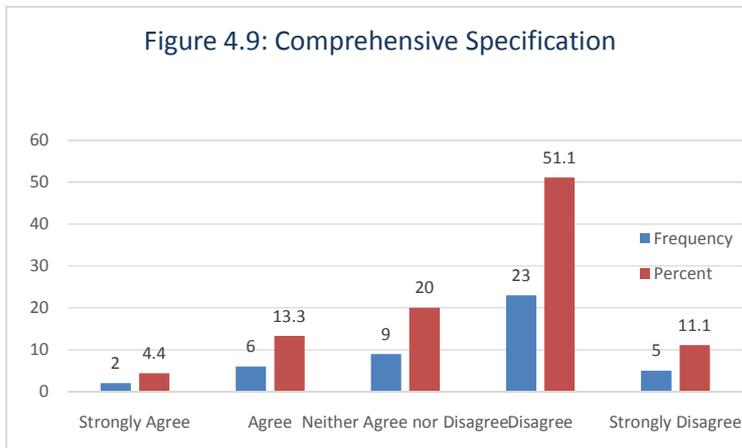


**b) End users prepare comprehensive and clear specifications for their procurement needs for goods and services.**

The specification of goods and services must be comprehensive enough to provide adequate information to potential suppliers or service providers regarding the goods or services to be supplied. Specification is a statement of requirements to be satisfied in the supply of products and services.

The finding of the research indicated that 4.4% of the respondent strongly agree and 13.3% agree that the specifications that the requesting units prepare and submitted for procurement process are comprehensive. However, 51.1% of the respondent disagree and 11.1% of them also strongly disagree that the specifications are comprehensive. The remaining 20% replied neither they agree nor disagree.

The findings of the research indicated that the users of the products and services prepares specifications for goods and services they request for procurement process. This agrees with CIPS (2012). However, the specifications were not most likely generic and comprehensive.



#### 4.2.3. Price Estimation

The result of market assessment gives important information to the procuring organization related to at least availability of potential suppliers, the market structure and prices of products. The survey findings are presented below of each question.

##### a) Market Assessment for procurement of Goods and services

According to the research findings shown in table 4.3, 40% of the respondents disagree and 13.35% strongly disagree that market assessment is undertaken by the organization before procurement process starts. However 27% of the respondent agree and 2.2% strongly agree that the organization performs market assessment to identify and locate potential suppliers that could satisfy the goods and services requirement. A significant number of respondents, 17.85, replied to the research question that they neither agree nor disagree.

**Table 4.3: Market assessment**

	Frequency	Percent
Strongly Agree	1	2.2
Agree	12	26.7
Neither Agree nor Disagree	8	17.8
Disagree	18	40.0
Strongly Disagree	6	13.3
Total	45	100.0

Similarly, the respondents replied to the question whether the organization under investigation practices of prior cost estimation of the products and services are required.

b) Goods and Services Price Estimation

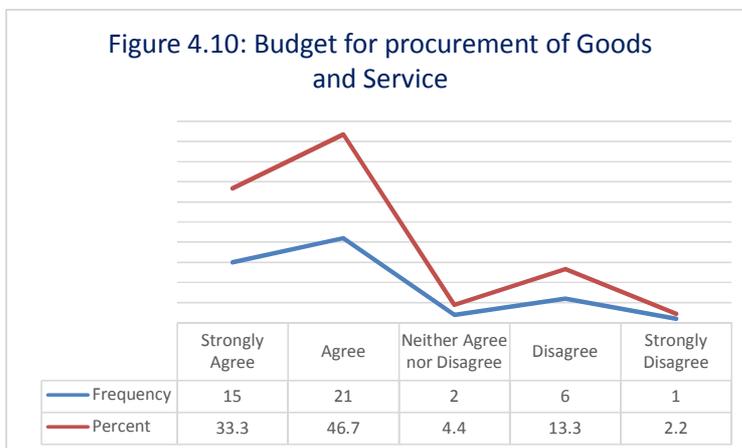
**Table 4.4: cost estimation of products and services**

	Frequency	Percent
Strongly Agree	1	2.2
Agree	9	20.0
Neither Agree nor Disagree	9	20.0
Disagree	19	42.2
Strongly Disagree	7	15.6
Total	45	100.0

The finding revealed that 57.8% (42.25% disagree & 15.6% strongly disagree) of the respondent believed that the organization is not undertaking price estimation that is based on current market assessment. 22.2% (2.2% strongly agree & 20% agree) of the respondents are satisfied and responded agree. The estimated price of services and goods helps to compare and analyze against the competitive price to ensure the fairness of the suppliers' competitive offers. In relation to this question, 20% of the respondents replied that they neither agree nor disagree to the practice of prior cost estimation.

**c) Budget for procurement needs for products and services**

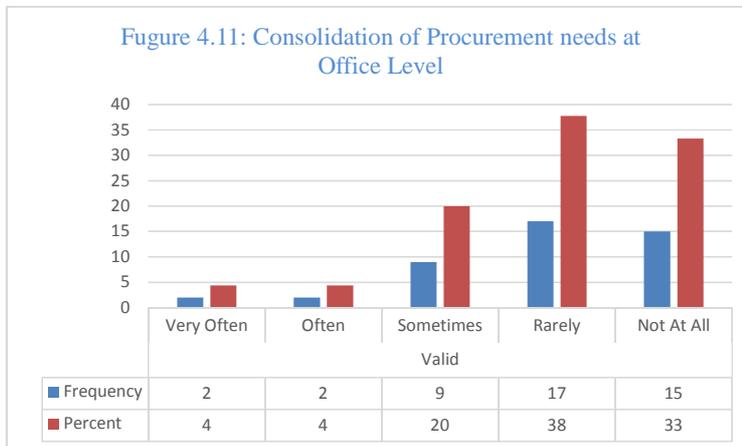
Among the respondents, 46.7% replied agree and 33.3 % strongly agree (totally 80%) that the organization’s need for procurement of products and services is captured in monetary terms in the form of budget as indicated in figure 4.13.



**4.2.4 Procurement needs Consolidation**

**a) Consolidation of procurement needs at office level**

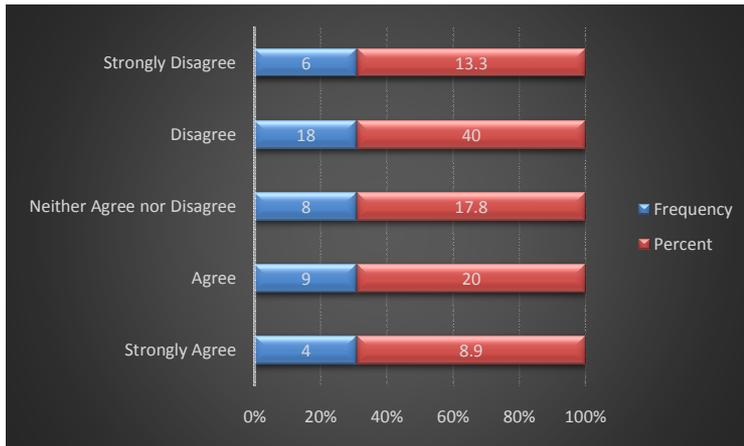
The research findings (figure 4.17) indicated that 38% of the respondent staff provided their opinion that it is rarely practiced, and 33 % replied not at all. The findings implies that the organization does not practice the group buying strategy to obtain competitive price as a result of attraction of bulk procurement, economies of scale and better utilization of resources.



**b) Procurement plan revises within a fiscal year.**

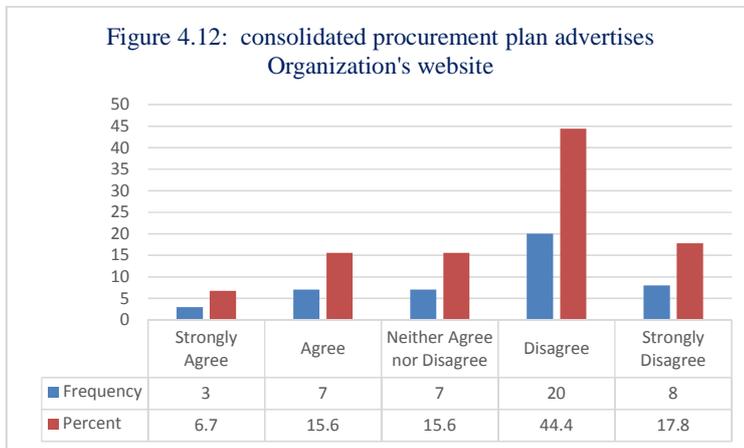
Among the respondents, 40% replied agree and 13.3% strongly disagree to the research question whether the organization updates its yearly procurement plan. This implies that it is likely that there is no practice of procurement plan revision and update to capture the changes of the requirement for procurement of good and services due to many factors. However, 20% of them replied agree and 8.9% strongly agree that there is an updating of procurement plan practice in the organization. A significant number of respondents, 17.8% also responded to the research enquiry that they neither agree nor disagree. This indicates that there is a need to undertake further research.

**Figure: 4.12: Procurement Plan Update**



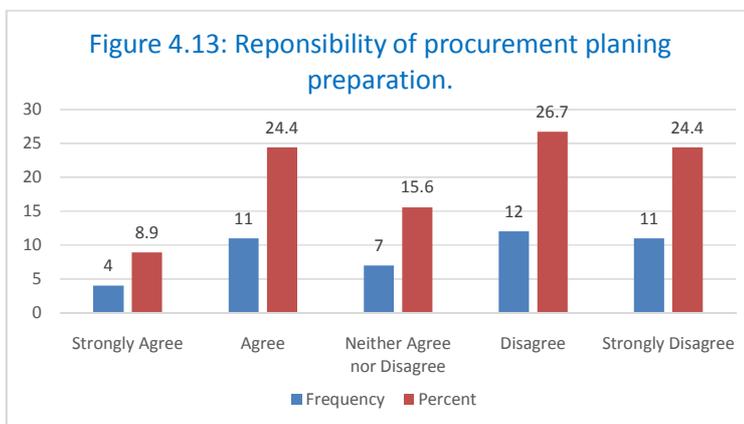
**c) Consolidated procurement plan advertises in the organization's website**

Among the respondents, 44.4% of them replied disagree and 17.8% strongly disagree to the research question whether the organization's yearly procurement plan is advertised on the organization's website to inform and attract potential suppliers of goods and service providers. Only 6.7% and 15.6% of the respondent replied strongly agree and agree respectively.



**B) Responsibility of the Procurement planning preparations**

The procurement planning function requires the contribution of requesting units or the product and service end user departments. In the same manner, the procurement department also has fundamental role in annual procurement planning preparation.



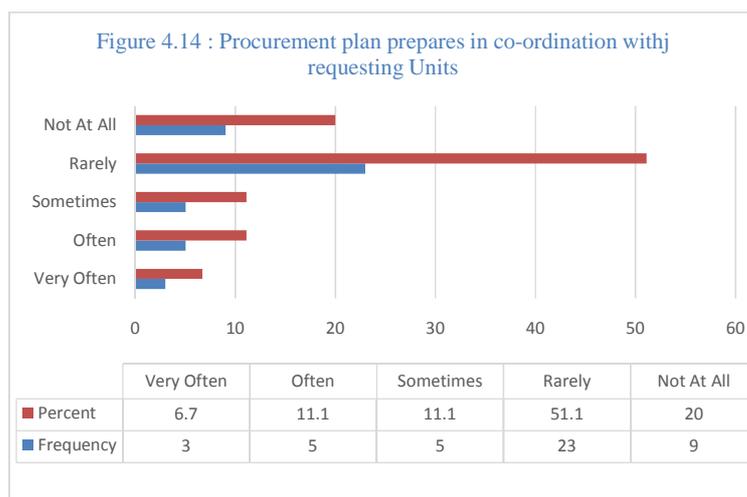
The research question was whether staff members understand that the procurement planning responsibility is the duty of procurement department. The findings indicated that 24.4% of the respondents strongly disagree and 26.7% replied disagree. However, the

findings showed that 15.6% of the research respondents replied that they neither agree nor disagree with the opinion. A significant number of respondents, 8.9% strongly disagree & 24.4% disagree.

### 4.3 Role of stakeholders in procurement planning preparation

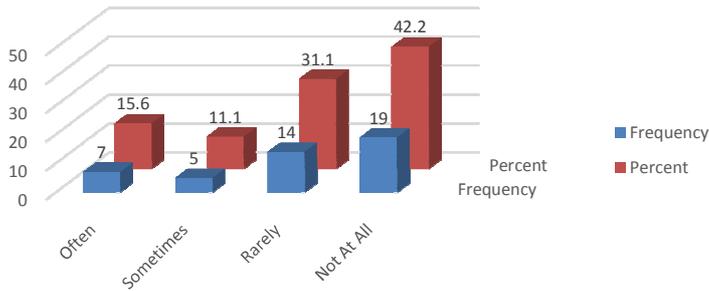
#### a) Procurement planning prepared in co-ordination with requesting units

As showed in figure 4.15 below, 51.1 percent of the respondents answered that co-ordination between procurement and end users in procurement planning is rarely observed and 20% replied not at all. However, 6.7 percent replied very often and 11.1 percent answered often.



The below figure ( figure 4.18) depicted that 42.2% percent of the respondents perceived that the procurement and the requesting units do not work together as a team to draw the procurement needs of the organization timely, 31.1 % of them also replied that they rarely work together. However, 15.60 percent of the respondent revealed that they perform often and the remaining 11.1 percent also replied sometimes applied.

Figure 4.15 : procurement and end users' experts work together as team in procurement need identification.

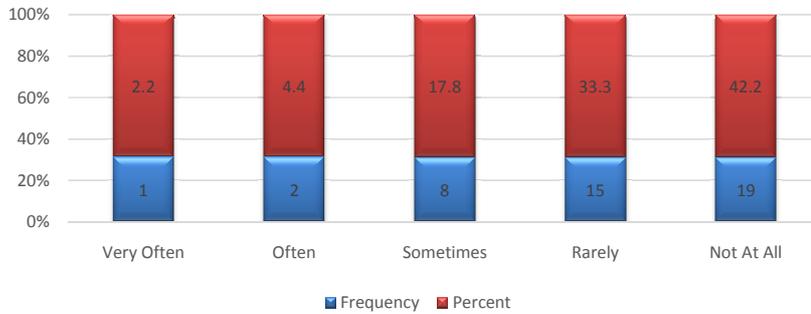


### 4.3 Implementation of procurement planning

#### 4.3.1. Bid Advertisement

##### b) Bid advertises as planned for procurement of Goods and Services

Figure 4.16a : Bid advertises as planned



The above figure 4.16a indicated that 42.2 percent of the respondents replied not at all to the questions and 33.3 % of them also confirmed that it is rarely performed. However, 2.2 percent observed very often and 4.4 often.

One of the objectives of procurement planning is to achieve value for money through competition. This requires prior activities such as need identification and assessment, market research, planning and consolidation of procurement needs at office or department level to attract potential suppliers.

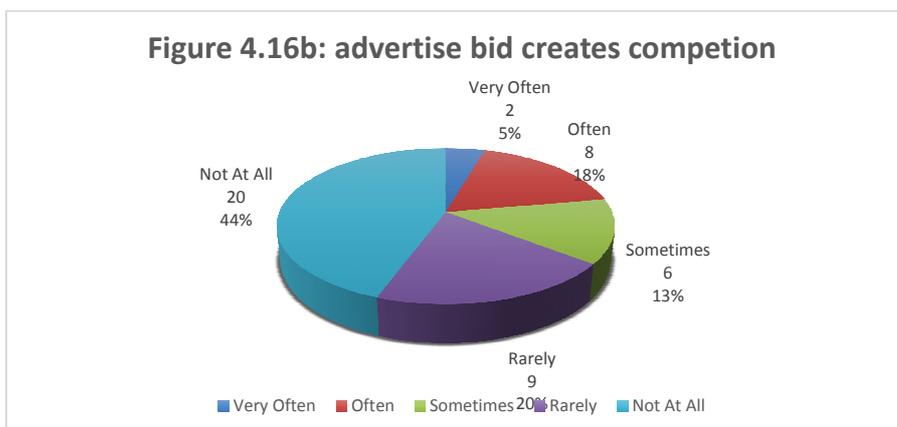
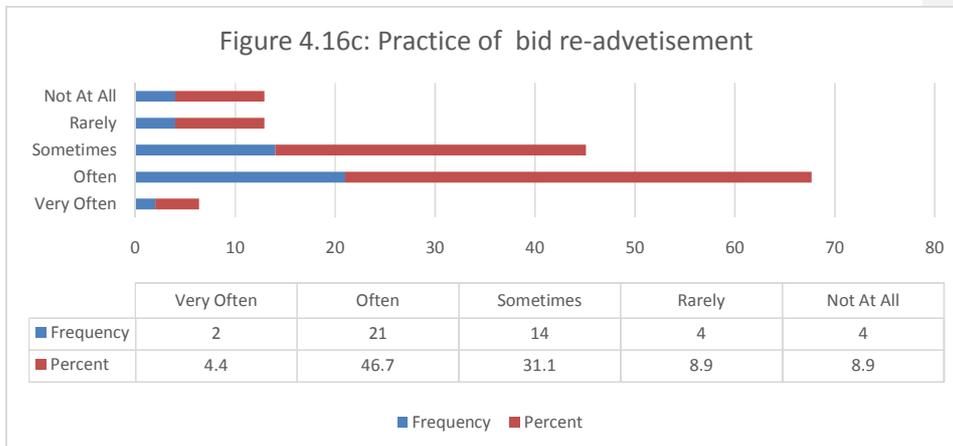


Figure 4.16b above revealed that the response of the staff in relation to the research question whether the advertisement for procurement of goods creates competition among potential suppliers. The response of the staff showed that 44 percent of them observed not at all and 20 % rarely. Only 5 % and 18 % replied very often and often respectively. 13 percent of the staff answered that they sometimes observed competition in the procurement of services and goods undertaken by the organization.



The respondents of the research question were asked about their observations of re-advertisement for procurement of goods and services in the organization. As depicted in figure 4.16c above, 4.4 percent 46.7 percent replied very often and often respectively. 31.1 percent of them answered sometimes. The remaining 8.9 % respondent replied rarely and not at all respectively.

The result of the findings implies that there is no procurement planning practice in the office. It results inadequate need identification, market and supply & supplier risk assessment, short notice. Therefore, the organization should work to assess the main causes the situation.

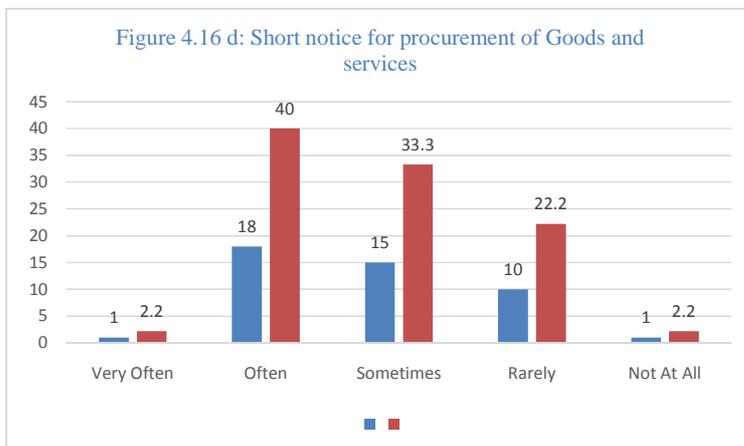
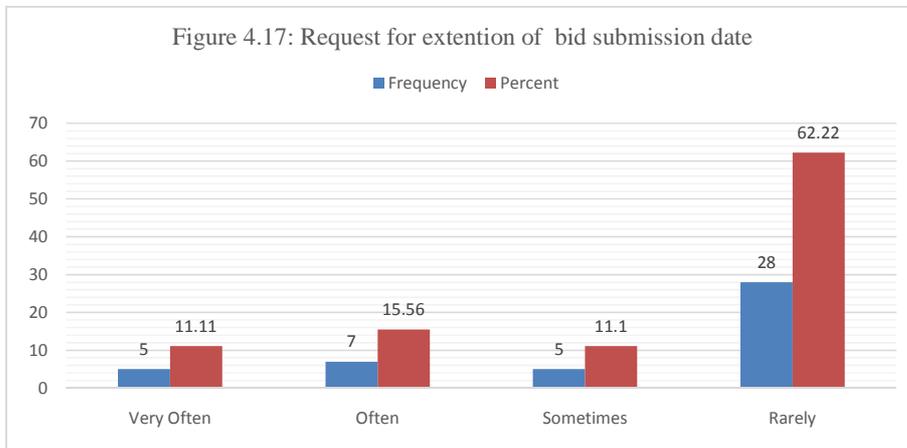


Figure 4.16 shows the response to the research question whether they observe that there are short notice for procurement of goods and services. Majority of the respondents replied often (40%) and 2.2% very often. A significant number of respondents (33.3%) also replied sometimes.

Short notice doesn't allow all potential suppliers to offer their products within short period of time. As a result, it limits competition and lack of competition limits the achievement of value for money principle in public procurement. Therefore, the organization should assess the cause of the problem and should set monitoring and controlling mechanism to ensure that all procurement requirements are assessed early and planned properly to avoid or to minimize emergency requests.

Figure 4.17 indicates the findings of whether suppliers frequently request for extension of bid submission date. 62.22 percent of the staff replied that it rarely happened. On the other side, 11.11% and 15.56% replied very often and often happened respectively.

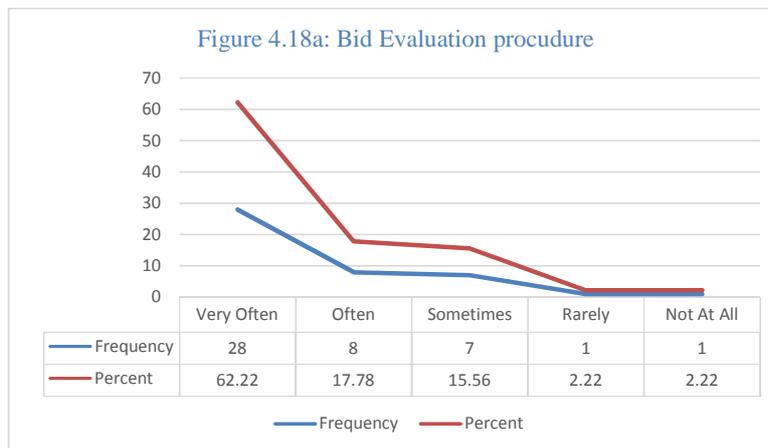
The findings indicated that even though the majority of the respondents confirmed that request for bid extension happens rarely, a significant number of respondents observed that request for bid extensions occurred.



#### 4.3.2. Bid Evaluation practice / procedure

##### a) Bid Evaluation process undertakes based on the criteria provide in the specification

Figure 4.20a: Bid Evaluation undertakes based on the criteria provided in the specification

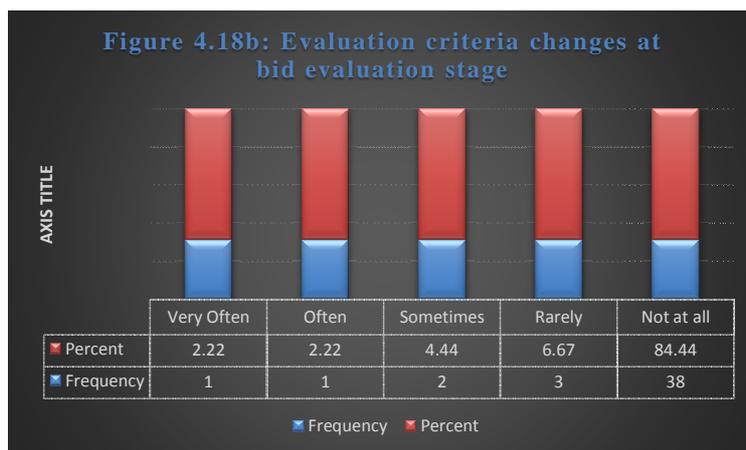


The respondents were asked their observation with regard to whether bid evaluation process is undertaken based on the criteria provided in the specification. Majority of the

respondent (62.22 percent), replied very often 17.78 % answered often. However, 15.56% of the respondents staff replied sometimes happened.

As indicated in the research findings, the organization’s procurement process, specifically the bid evaluation process is undertaken in consistency with the rules of the organization specified in the bid document or specification. Therefore, this fair manner of bid evaluation leads to selection of the most economical bidder or bidders.

Even though the number of respondents are few, some staff replied (refer to figure 4.2a) sometimes, rarely and not at all. Therefore, the organization should work to avoid the doubt of the staff related to the likely of not respecting the evaluation criteria specified in the solicitation document.



**b) Bid Evaluation Criteria changes during evaluation**

Similarly, one of the research question was to express their opinion whether evaluation criteria specified in the bid document changes during evaluation stages in the organizations procurement process.

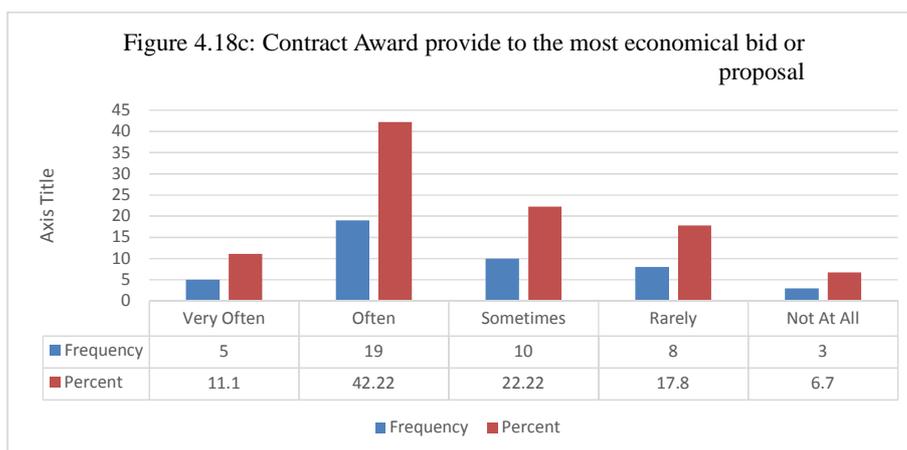
The finding in figure 4.18b above show that 84.44 percent of the respondent staff replied not at all and 6.67 % of them also answered rarely. The research result indicates that the bid or proposal evaluation is conducted based on the established evaluation methodology.

**c) Award for contract provided to the most economical advantageous bid or proposal.**

Figure 4.18c showed the response of the staff to the captioned research question that 11.1 percent mentioned very often applied and 42.22 percent of them also answered often awarded to the most advantageous bid or proposal.

However, 22.22 percent responded sometimes, 17.8 % and 6.7 % of the respondent replied rarely and not at all respectively.

The research finding implies that the organization is respecting the principle of value for money which requires obtaining the best services and products at most competitive rate through fair, transparent and effective completion processes.



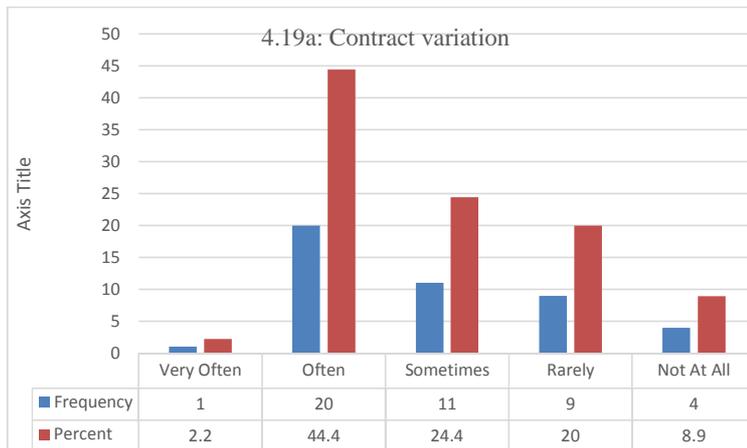
**4.3.3. Assessment of procurement plan implementation**

**a) Contract Variation occurs.**

The question was t whether the organization is challenged by modification of contract. 44 percent of the respondents provided their opinion toward the question often and 2% of them also responded very often. Moreover 24% of them answered sometimes. However, 20% and 9% replied rarely and not at all respectively.

The findings indicated (figure 4.19a) that the organization is challenged by modification or amendment of contracts. This will charge the organization additional costs for amendment

of the contract to capture the variation, delay of delivery of the required items and services, and it may result change of specifications or requirement.



**b) The modification of contract results change of terms of requirement and Specification**

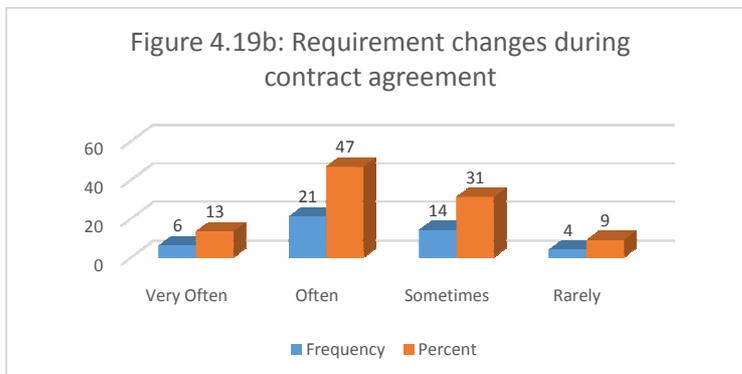


Figure 4.19b indicated the respondents' opinion to the research question on the modification of contract result change of terms of reference and specification of services and goods.

47% of the respondents replied that the contract amendment results change of terms of reference and specification often and 13 % replied very often. 31% of the staff also answered sometimes.

**c) Practice of Inspections and performance evaluation for delivered goods & completed Service**

The research findings showed (Table 4.5) that 38% of the respondent staff replied often applied and 2% answered very often. 44% of the respondent confirmed that it applied sometimes. However, 11% and the remaining 4% answered rarely and not at all respectively.

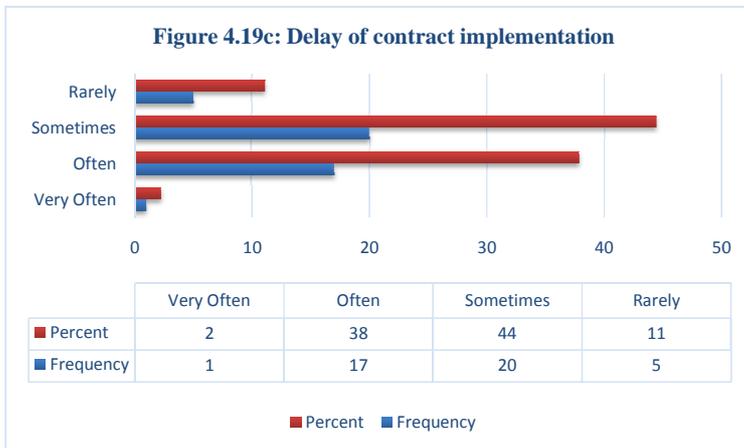
Table 4.5: Practice of Delivery Inspection

<b>Response</b>	<b>Frequency</b>	<b>percentage</b>
Very Often	1	2
Often	17	38
Sometimes	20	44
Rarely	5	11
Not At All	2	4

**d) Delay of contract implementation observed as compared to the contractual period**

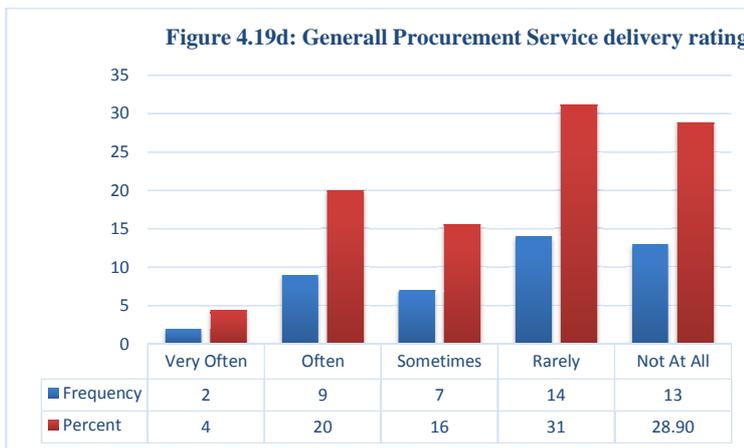
As revealed in figure 4.19c below, 38% of the respondent staff replied often and 2% very often. Majority of the response replied that it delay sometimes. However, 11% of the staff replied it rarely.

The research findings implies that the organization is suffering from contract implementation delay. Delay of services delivery affects the timely implementation of projects and the project implementation delays results dissatisfaction of the end users and damage to the trustworthiness of the organization.



**d) Generally, the organization’s timely procurement service delivery function satisfies the end user’s requirement**

The research findings, as showed in figure 4.21d, indicated that most of the respondents, 31 percent replied rarely meet the required services, 29% provided their opinion that not at all. However, 4% of the respondent replied that the general procurement delivery to the satisfaction of the end users performed very often and 20 % often.



As to the findings, 29% of the respondents confirmed that the procurement performance of the organization is not as to the requirement of the procurement service requesters. The result calls for proper and timely planning of the procurement functions.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Conclusion**

The conclusions are based on the findings of the study in special attention to the role of procurement planning in effective procurement implementation in UNDP Ethiopia Country Office.

##### **5.1.1 Background Information of the Respondents**

The findings indicates that 53% of the respondents are aged between 31 and 40 years and 27% of them were between 41-50 years age. This indicate that the majority of respondents are aged within 31-40 years. The study revealed that most of the respondents were (78%) masters and above degree holders. This implies that the respondents are of higher academic levels to understand the questionnaire. Majority of the respondents have worked at UNDP Office within the period of 1-5 years and 33% of them within the range of 6-10 years of work experiences. This implies that the respondents have adequate work exposure to respond with knowledge and practical experience to the research questionnaire. 50%-80% of each unit's staffare responded the research questionnaire. This implies that the researcher provides equal opportunity to all units and staff to respond their opinion to the research questionnaire.

##### **5.1.2 Practice of Procurement Planning preparation in UNDP Ethiopia Office**

The first objectives of the research was to explore the procurement planning practice of UNDP Ethiopia Country Office. The research questionnaire was prepared to address the main procurement planning and implementation processeswith special attention to need identification, requirement definition, price estimation, need consolidation, and cooperation between stakeholders in procurement plan preparation,

### **5.1.2.1 Early Needs Identification**

The first activity of procurement planning is need identification and these needs for goods and services should be submitted to procurement unit for procurement process (Kiama, 2014).Accordingly, each end users should prepare their needs for procurement timely and required to submit for process (UNDP FRR, 2005 ).

The findings showed that 51% of the respondent staff confirmed that the organization's practice in relation to timely needs submission to procurement unit is not applied. The needs for goods and services must also be assessed to come up with exact need to avoid unnecessary investment. Based on the findings, the majority (40%) of the respondent replied that the need assessment activities were rarely applied. One of the primary duties of procurement unit in planning process is to prioritize the needs of request units. The findings shows that it rated sometimes. The other issue was whether the requesting units consider the time required for procurement processes. The response of the majority respondents (36 %) was rarely applied. Among the advantage of procurement planning is to avoid emergency procurement request. However, the result of the findings revealed that most request for procurement require urgent procurement action. This implies that there is unlikely exists practice of early planning and scheduling. Similarly, the research finding tells that requesting units are challenged by waiting for procurement process for urgent Programme works. The process of procurement planning includes supply and supplier risk assessment. The research findings related to practice of supply and supplier risk assessment in the organization revealed (38% of the respondents) that the organization applied supply risk assessment rarely. This affects the implementation of the contacts to meet the needs of the requesting units (customers) as a result of failure of timely service delivery.

In general, the findings shows the practice of the organization in relation to timely need identification is unsatisfactory.

#### **5.1.2.2 Preparation of Specification**

Specification is a statement and description of requirements for goods and services that will inform the potential suppliers in the market. The specification or terms of reference should be generic type or neutral from biasedness to a specific brand of products or services.

The findings indicated that the requesting units prepare and submit specifications for sourcing of goods and services from the market. However, regarding the question whether the specification is generic, the finding shows specifications are lesser likely generic type. Similarly, majority of the respondents (71%) confirmed that the specification and the terms of reference are not comprehensive.

In conclusion, the organization prepares specification and terms of reference for goods and services. However, the findings showed that the organization requires to ensure and work on preparing comprehensive terms of reference and specification for their need for procurement. Comprehensive specification and terms of reference brings mutual understanding between the procuring entity and the potential goods and service providers in what is need required. It avoids misinterpretations and further confusions.

49 % of the respondent staff answered that the request for procurement comes as a matter of urgency. Lack of procurement planning can create delay of service delivery and inefficient procurement implementation.

#### **5.1.2.3 Price estimation and Budgeting**

Market assessment and cost estimation processes are inputs for preparation of procurement planning. The purpose of cost estimation is to identify in advance the costs of goods and services and for budget purpose. It also serves as monitoring and evaluation against actual performance. The findings related to the questions whether the organization applies the market assessment and cost estimation practices showed lesser likely of practices exist.

#### **5.1.2.4. Procurement Needs Consolidation at Office Level**

Group procurement or consolidation of needs for procurement gives an advantage of effective utilization of organizational resources, economies of scales and it gives power to the buyer in the market (obtain competitive price and save transaction costs). The plan needs to advertise on the organizations website to attract potential suppliers and needs to revise in some interval to capture need changes for different reasons.

The findings in relation to the practice of procurement need consolidation at office level shows lesser likely practiced.

#### **5.1.2.5.Role of stakeholders ( end users) in procurement planning preparation**

Joint efforts and coordination between procurement and requesting units in need identification, preparation of specification, finding of alternative solutions (group buying), cost estimation, selection of mode of procurement, delivery time and others procurement activities has an important contribution for effectiveness and efficient implementation of procurement functions (Giuniperson et al., 2010).

To examine the extent of coordination between the requesting and procurement units, the findings revealed that the two units don't work as team in procurement plan preparation. The finding matches with the findings of Beshaka (2008). The researcher declares that procurement planning and implementation affects by lack of cooperation between procurement and requesting units.

Generally, the findings revealed that the procurement planning practice, specifically, the timely need identification, preparation of comprehensive specifications and terms of reference for the goods and services required, market assessment and cost estimation process, consolidation of procurement needs at office level, and team work practice between requesting and procurement units in procurement plan preparation is found unsatisfactory and not as to the expectation.

#### **5.1.3. Implementation of procurement plan in UNDP Ethiopia Office**

The procurement implementation or process depends on the timely and effective procurement planning. The procurement implementation activities include bid advertisement or solicitation, bid evaluation, contract award and contract management.

In relation to the procurement implementation practice in the organization, the researcher raises questions, specifically relevant to the case study.

#### **5.1.3.1. Bid advertisement**

Research question was raised to review whether bid advertisement undertakes as planned. The finding of the study revealed that 42 % of the respondents replied not at all and 33% answered rarely. This implies that there is lesser likely that bid advertisement undertakes as planned.

The second question was whether the bid advertisement results in competition which is related to prior advertisement of the procurement plan in the organization to inform potential suppliers before the actual bid advertisement. Well planned procurement results in timely bid advertisement and competition and competitive offers that will achieve the value for money objectives. The findings indicate that majority of the respondents were dissatisfied and they replied not at all. This implies that the organization is experiencing challenges for getting adequate competition among potential suppliers and services providers due to prior plan and advertisement of the plan.

If the organization doesn't inform to the potential bidders about the business opportunity in the organization early, competition is less likely. This matches to the practice of most organizations. Similarly, the researcher assessed whether there is a practice of re-advertisement of bids. One of the factors for re-advertisement is lack of early procurement planning. The findings showed that re-advertisement occurs often. Short notice of procurement is also a result of urgent request for procurements of goods and services. Emergency request for procurement process shows lack of early procurement planning. Therefore, lack of planning leads to short notice of procurement procedures to meet the needs for goods and services. To review whether the organization faces challenges of urgent procurement requests, the research questionnaire asked the respondents to express their observation related to practice of short notice for procurement of goods and services to meet the requirement of the requesting units. The finding of the research showed, 40% of the respondents, short notice occurs often.

To make the situation clearer, the respondents were asked whether the organization receives bid submission extension from potential suppliers. Bid extension is a result of lack of proper procurement planning such as exact needs identification, assessment, and realistic cost estimation and so on. The result of the study indicates that the organization's procurement notices do not likely give sufficient time to the potential suppliers to prepare their offers. This indicates the procurement for goods and services are urgent.

#### **5.1.3.2. Bid Evaluation**

Bid evaluation is one of the important functions of procurement processes. The effectiveness and efficiency of the evaluation process depends on procurement planning, specifically specification preparation. Evaluation criteria, which is established in the specification, must not change in order to amend the specification criteria.

The respondent staff were asked whether bid evaluation criteria are fully respected and applied during evaluation process. Majority of the respondents, 62%, replied fully respected. Therefore, the organization is performing very well in respecting of pre-established bid evaluation criteria in the bid evaluation of the organization's procurement process. Similarly, 84% of the respondents confirmed that bid evaluation criteria is not changing at all during evaluation stage. Moreover, 42% replied that award for contract are often provided to the most economical supplier.

Generally, the findings of the study showed that the organization is performing the evaluation process as specified and pre-established specification and solicitation document.

#### **5.1.3.3. Contract Management**

Some of the factors of contract variation are lack of procurement planning and monitoring of its implementation (Andrea, 2009). Procurement planning is an instrument to minimize possibility of contract modification. However, the findings of the study showed that contract variation occurs in the organization. Similarly, 47% of the respondent staff confirmed that the variation causes for changes of terms of reference and

specification of goods. Procurement needs that are not well identified may cause the variation and delay of project implementation and dissatisfaction of the end users. The finding of the research study also showed that there is often a delay of contract implementation.

The study has identified that procurement planning is possibly applying in a lesser extent in the public entity (UNDP). The procurement implementation is also negatively affected to large extent possibly by lack of procurement plan at early stage of the fiscal year. Modification of the extent of the contract and delay of contract implementation were some of the procurement implementation problems.

## 5.2 Recommendations

Based on the findings of this study, the searcher made the following recommendations:

- ❖ As service delivery function depends on the efficient and effective public procurement implementation, efficient management of public procurement on the other hand has a critical role in achieving of development goals. Hence, top management should establish effective monitoring and controlling mechanism to ensure that all requesting units prepare their annual procurement plan at early stage.
- ❖ The Programme and Operations Policies & Procedures of the organization should be reviewed to put into place some forceful clauses that require for compliance of the requesting and procurement units like:
  - Preparation of annual procurement plan at the beginning of the fiscal year.
  - All procurement needs for goods and services need to consolidate at office level.
- ❖ Top management requires to ensure that the request for procurement for supply goods and services is in the approved procurement plan with specific identification number before approving of the final procurement request.
- ❖ The procurement unit need to establish expert panels to review the process of market and risk assessment procedure, completeness of the specifications and terms of reference for the goods and services requested so as to ensure that the terms of reference and specifications are free of bias and to reduce the risk of lack of competition in procurement process.

- ❖ In the findings, absence of plan for bid advertisement, short notice, request for bid extension, amendment of contract and contract amount variation were some of the observations made by the respondents. Hence, the finance units should be advised not to process payments for any procurement process that are non-compliant to the Programme and Operations Policies & Procedures of the organization.

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## **APPENDICES**

### Appendix I: Questionnaire

#### Introduction Letter to the Respondents

Dear respondents;

My name is Mehari Goitom. I am a student at St. Mary's University. I am carrying out a research study on the role of procurement planning in the public procurement process, a case of United Nations Development Programme (UNDP), Ethiopia Country Office as a partial fulfillment of the requirement for the award of Master Degree in Business Administration.

The purpose of this Questionnaire is to get your views on the research study which will help the study to make conclusions and recommendations that will be of importance to the Country Office.

Any information given will be only used for academic purpose and will not whatever used for any other purpose. It will be treated with utmost confidentiality and analyzing together with others response.

You are, therefore, selected to participate in this survey due to your importance role in the procurement of your unit. It will take you 10 minutes to answer the questions. We expect you to answer all questions truthfully.

**SECTION A: Demographic Information**

Please circle the most appropriate answer

- 1. Age :
  - a. 21-30            ( )
  - b. 31-40            ( )
  - c. 41-50            ( )
  - d. 51-60            ( )
  - e. 61 & above      ( )
- 2. Work experience in UNDP :
  - a. 1-5                ( )
  - b. 6-10              ( )
  - c. 11-15             ( )
  - d. 16 & above      ( )
- 3. Level of Education :
  - a. Certificate        ( )
  - b. Diploma          ( )
  - c. Degree             ( )
  - d. Master & above    ( )
- 4. Occupation :
  - a. Operations        ( )
  - b. Programme        ( )

**SECTION B: Assess the procurement planning practice and the implementation of the procurement plan UNDP Ethiopia Country Office**

What is your level of agreement with the following statements related to the role of procurement planning in UNDP Ethiopia Office?

Please use a scale of **1-5, where 1= very often; 2=often; 3= sometimes; 4= rarely; and 5=not at all.** Please use “✓” in one of the provided options.

<b>Early Need Identification</b>		1	2	3	4	5
B01	Raise organizational procurement needs at the beginning of the fiscal year.					
B02	Needs assessed for their contributions to achieve the project objectives.					

B03	Procurement unit prioritizes the procurement requirements of end users.					
B04	Procurement risk assessment undertakes prior to procurement activities.					

Please use a scale of 1-5, where 1= strongly agree; 2=agree; 3= neither agree nor disagree; 4= disagree; and 5=strongly disagree. Please use “✓” in one of the provided options.

	<b>Preparation of Specification</b>	1	2	3	4	5
B21	Requesting units prepare specifications for their needs for procurement of goods or services.					
B22	The specifications are generic type.					
B23	Requesting units prepare comprehensive and clear specifications for their needs for procurement.					

	<b>Price estimation for procurement of Goods and Services in UNDP Ethiopia Office</b>	1	2	3	4	5
B31	Undertake market assessment for procurement of Goods and services.					
B32	Estimation of price for procurement of goods and services of the end users.					
B33	Procurement prepare based on current market assessment.					

	<b>Procurement needs consideration</b>	1	2	3	4	5
B41	Consolidates the procurement requirements at office level.					
B42	Revise the annual procurement plan.					
B43	Consolidated procurement plan advertises in the					

	organization's website.					
B44	Procurement planning is the responsibility of procurement unit.					

**SECTION C: Examine the role of procurement requesting units in procurement planning preparation.**

What is your level of agreement with the following statements related to the role of procurement planning in UNDP Ethiopia Office?

Please use a scale of 1-5, where 1= very often; 2=often; 3= sometimes; 4= rarely; and 5=not at all.

Please use “✓” in one of the provided options.

	<b>Role of stakeholders in procurement planning preparation.</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
B51	Procurement planning undertakes in coordination with the requesting units.					
B52	Experts from the requesting and procurement units identify the needs for procurement of goods and services at early stage.					

**SECTION D: Assess of the implementation of procurement planning in UNDP Ethiopia Country Office.**

What is your level of agreement with the following statements related to the role of procurement planning in UNDP Ethiopia Office?

Please use a scale of 1-5, where 1= very often; 2=often; 3= sometimes; 4= rarely; and 5=not at all.

Please use “✓” in one of the provided options.

	<b>Bid Advertisement</b>	1	2	3	4	5
C01	Bid advertises for procurement of goods and services as planned.					
C02	The Bid creates competition among potential suppliers.					
C03	Re-advertisement for procurement of goods and services.					
C04	Short notice for procurement of goods and services.					
C05	Suppliers request for extension of bid or proposal submission date for procurement of goods and services.					

	<b>Bid Evaluation</b>	1	2	3	4	5
C01	Bid evaluation undertakes based on the criteria provided in the specification					
C02	Evaluation criteria changes during bid evaluation stage.					
C03	Award for contract provide to the most economical advantage.					

	<b>Contract Management</b>	1	2	3	4	5
C31	Contract variation Occurs					
C32	Modification of Contract results change of terms of					

	reference and specification of Services and goods					
C33	Inspection performs to ensure goods and services provided as agreed					
C34	Delay of contract implementation observes as compare to the contract period.					
C35	General procurement service delivery performs as agreed					

### ENDORSEMENT

This thesis has been submitted to St. Mary University, School of Graduate Studies for examination with my approval as a university advisor.

\_\_\_\_\_

Advisor

\_\_\_\_\_

Signature

**St. Mary University, Addis Ababa    June, 2016**