

**CONTRACTS MANAGEMENT AND VALUE FOR MONEY IN PUBLIC
PROCUREMENT OF WORKS: A CASE OF MUCCoBS**

By

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Abstract

Contract management is an important activity in public procurement, especially on executing projects fostering community development while aiming at value for money. On the contrary, reports from the CAG and PPRA have shown that public funds have been wasted because of poor contract management which hinders achievement of value for money. Hence, despite its importance, limited studies have been conducted to exhaust the problem. The reviewed studies concentrated much on the identification of the factors that cause poor performance of procurement contracts and contract management, in general, without assessing how procurement contracts are formulated and implemented while contributing to the achievement of value for money. Thus, this study aimed at assessing the effectiveness of procurement contracts management towards achieving value for money in procurement of works. Specifically, the study intended to describe the nature of procurement contracts for works, to evaluate the adequacy of terms and conditions of formulated procurement contracts for works as required by PPA 2004, examine the effectiveness of procurement contracts for works implementation as per terms and conditions in order to achieve value for money and determine the contribution of effective contract management during procurement of works on the achievement of value for money. The study was undertaken by using a case study design whereby purposive and random sampling techniques were used to pick a sample of 60 respondents while questionnaires, interviews and documentary review were used to collect data. Data were analysed through applying qualitative techniques that involved the use of "interpretive" and "reflexive" approaches, while quantitative techniques involved utilisation of descriptive statistics and cross-tabulation techniques. Findings showed that contracts contained all the necessary required terms and conditions to guarantee value for money and it was established that contracts were effectively executed and managed adequately when compared to the terms. Also, it was determined that management of time, quality and costs resulted into effective contract management which contributes highly to the achievement of value for money. However, in some contracts there were signs of ineffectiveness that include variations, inadequate use of defect liability period and extensions of time which jeopardised the achievement of value for money. Therefore, it was concluded that effective management of procurement contracts was essential for achievement of value for money, and basing on the reviewed contracts for works (10 contracts) the studied case (MUCCoBS – now MoCU) had achieved value for money above average scale by considering qualitative (non-monetary) measures. However, basing on the weaknesses found, it is recommended that the College should enhance supervision, avoid unnecessary variation, prepare quality plans and perform defects inspection for completed works during defect liability period in order to enhance the achievement of value for money.

1. INTRODUCTION

1.1 Background to the Research Problem

Public procurement often constitutes the largest domestic market in developing countries. Depending on how it is managed, the public procurement system can thus contribute to the economic development of these countries (Migai, 2005). It is a comprehensive process stretching from procurement planning, budget allocation, bids invitation, bids evaluation, contract award and management, performance evaluation, auditing and reporting. Due to the cost implication embodied at the different stages throughout the process ranging from need identification up to

contract management and termination, public procurement must be built on the principles of “value for money” and sustainability (Mamiro, 2010).

Contract management is an important activity in public procurement which covers all the activities performed by the Procuring Entity (PE) and the contractors upon signing the contract up to full discharge of the obligations. It is often an extremely controversial subject matter (Trepte, 2011). This is especially the case in developing countries where “the ability to exercise discretion in the award of government contracts has been a source of valued political patronage” and procurement has been “a means for the illicit transfer of funds from government to private hands” regardless of the laws (Patrick, 2005). Regulation 121 of the Tanzania Public Procurement Act 2004 (PPA 2004) requires PEs to be responsible for the effective management of any procurement contract for goods, services or works which is undertaken in accordance with the terms of each contract. Despite the legal requirements the Controller and Auditor General (CAG) report of 2010 identified several weaknesses in the management of public procurement contracts for works. These included improper signing of contracts, lack of important contract information, inadequate quality assurance plans, liquidated damages were not applied for delayed works and completed works were not tested to ascertain whether they have attained the specifications required.

Basing on the findings, the CAG challenged PEs to exercise effective contract management to avert the apparent loss of value during this procurement phase of contract management especially for works which its procurement is complex and consumes a lot of public funds.

1.2 Statement of the problem

Value for money is the core principle underpinning public procurement activities including contract management by ensuring non-discrimination in procurement and using competitive process that promotes the use of resource in an efficient and effective manner to guarantee achievement of value for money (Mlinga, 2007). On the contrary, the pursuit for value for money in public spending remains to be a big challenge to government institutions across most countries. Shortage of appropriate procurement skills, incompetent public procurement staff and rigid rules regulating public procurement systems complicate the challenge and render the achievement of value for money a distant goal (Mamiro, 2010).

In order to have effective contracts management and ensure value for money in public procurement, the government through the PPA 2004 has put down provisions such as Regulation 121 and 123 of GN 97 requiring each PE to initiate steps to correct deviations from contract conditions and ensure that the responsibilities imposed by the contract are fully discharged. Despite these explicit requirements in the provisions, Public Procurement Regulatory Authority (PPRA) admits that many PEs are not managing their contracts properly and for many PEs the procurement process virtually “ends” upon award of contract. A lot of good efforts are spent up to the point of selection of contractor without further questioning whether what is being delivered is actually what is being paid for (Mamiro, 2010).

Taking the case of procurement audits conducted by PPRA in 2009, it was attested that procurement contracts in 33% of the audited procurements (in 30 PEs) were not implemented as per the terms of the contract. Poor contracts management was contributed by inadequate human and financial resources, weak contract terms, poor supervision and quality control, inadequate contracts management skills and corruption (PPRA, 2009). Also the CAG report (2010) for the financial year 2008/09 revealed that procurements amounting Tshs. 3,115,507,827/= were misappropriated as a result of weaknesses in contracting and contract management which in return hindered the achievement of value for money in such public

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procurement contracts. Therefore, basing on the observed poor contract performances,

contract management malpractices and legal non-compliance the study aimed at assessing the effectiveness of procurement contracts management towards achieving value for money in public procurement of works.

1.3 Research Objectives

1.3.1 General Objective

To assess the effectiveness of procurement contracts management towards achieving value for money in public procurement of works.

1.3.2 Specific Objectives

This study sought:

- (i) To evaluate the adequacy of formulated procurement contracts for works towards guaranteeing achievement of value for money;
- (ii) To determine the effectiveness of procurement contracts for works implementation as per agreed terms and conditions; and
- (iii) To examine the contribution of effective contract management during procurement works on the achievement of value for money.

1.4 Research questions

This study was guided by the following questions:

- i. To what extent procurement contracts for works are adequately formulated to guarantee the achievement of value for money?
- ii. How effectively procurement contracts for works are executed as per terms and conditions of the contract in order to achieve value for money?
- iii. What is the contribution of effective contract management during procurement works on the achievement of value for money?

2. LITERATURE REVIEW

2.1 Procurement Contract formulation and Legal Framework

Pre-contract procurement activities lay the foundation for effective contract management in the procurement of works. It is during the proceedings that the contractor to execute the works will be selected and awarded the contract. Once the contract has been drafted, signed and awarded to the contractor it shall not be altered or amended in any way by both parties unless such alteration or amendments is to the benefit of the government as per section 69 (1) (a) of the PPA 2004.

In the procurement of works and its subsequent contract formulation, amongst other things, the terms and conditions of the contract need to be appropriate so as to ensure the best achievable value for money for the Procuring Entity (PE) and fair deal for the contractor. Basing on that, the International Federation of Consulting Engineers (FIDIC) has provided some of the general and specific terms and conditions that should be included in the procurement contract for the procurement of construction works. The terms, amongst others, may include; applicable law,

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technical specifications, standards, patent rights, performance security, payment, delivery/

completion date, defect liability period, insurance, inspections and tests, contract amendments, subcontracts, delays in the performance, liquidated damages, disputes resolutions, settlement of variations and claims, contract termination and force majeure (Köksal, 2011).

At the end, adherence by both the PE and contractors to the agreed terms of the contract will result in optimal contract performance, achievement of value for money, timely completion of works and cost effectiveness (RDTL-Ministry of Finance, 2011). However, on the other side the PPA 2004 has provisions supporting contract management in the procurement of works which provides legal framework for PEs. Regulation 123 of GN 97 states clearly that PEs shall monitor the contractor's performance against the statement of requirements or schedule of works stated in the contract, by means reports from the PE's supervisor responsible for the works.

2.2 Procurement Contract implementation

When the PE procures works, the focus is on ensuring works are completed on time, quality is satisfactory, risks are minimised and cost are minimum. Hence, the focus of the PE is always on how they can effectively manage costs, quality, time and risks which might have impact on implementation process and final outcome.

According to ITC (2000), management of costs, quality and time should be observed and given more attention during contract implementation. Costs are effectively managed through the use of contract budget. The PE has got the responsibility of ensuring that the costs are properly controlled and managed in accordance with an agreed budget. Also, any signs of cost escalations should be dealt with as early as possible before affecting performance.

In order to manage quality, there must be a quality plan which is a prime document for managing quality. It spells out how the quality performance and objectives will be achieved. In the case of construction projects, the quality plan should specifically provide details on how the quality function is organised, who are the responsible individuals, and the quality control checks (e.g., inspection and testing).

The management of time is effectively done through the use of contract schedule that indicates activities and their completion date. The schedule allows the organisation to identify any slippage or failure to timely completion. The schedule should be developed basing on reasonable understanding of what is involved and how long it will realistically take. In case activities are not completed on the desired completion date, reasons behind should be established.

2.3 Procurement contract management activities

Contract management consists of a range of activities that are carried out together to keep the arrangement between customer and provider running smoothly. In the procurement of works, they can be grouped into three broad categories (Office of Government Commerce [OGC], 2002): namely, delivery management, contract administration and relationship management. Delivery management ensures that whatever is ordered is then delivered to the required level of quality and performance as stated in the contract; contract administration handles the formal governance of the contract and any permitted changes to documentation during the life of the contract while relationship management keeps the relationship between the two parties professional, open and constructive, with the aim of resolving or easing tensions and identifying potential problems at an early stage, while also identifying opportunities for improvement. All three areas must be managed successfully and should not be separated from each other, but rather form an integrated approach throughout.

2.4 Empirical Studies

The PPRA (2012) when assessing the adequacy of procurement contracts management for the financial year 2010/11 found out that average level of compliance for contracts management was 64% for Ministries, Departments and Agencies which is below the average acceptable score of 80%. Generally, the weaknesses included improper preparation of contracts, lack of important documents such as conditions of contract in some contracts, liquidated damages were not applied for delayed contracts, completed works were not tested to ascertain whether they have attained the specifications as provided in the contract documents and extension of time were issued without justifiable analysis.

Furthermore, Mitambo (2009) argues that contract management is not given much of the deserved attention as it happens that some of the contracts end without proper approval or endorsement of the relevant authorities. The approach for management is also associated with unapproved variation of works, poor quality of products together with late deliveries, unclear understanding to who is responsible for management of procurement contracts and inadequate post-implementation evaluation of completed contracts (Hanga, 2008). The outcome of the observed poor contract management practices is the non-achievement of value for money and loss of public funds as it has been observed by Mshana (2007).

In response to the identified weaknesses, PEs have been pointing out the absence of capable staff to be the major reason behind. However, Wami (2009) revealed that the presence of adequate and capable staffs for contract management does not necessarily warrant effective management of contracts. The researcher concluded that proper monitoring system and positive staff attitudes are crucial for the success of the contract. Therefore, ongoing and post contract award activities have to be closely monitored and controlled to enhance procurement contract management especially during defect liability period where by defects identified by the consultants/engineers or users have to be rectified by contractors and liquidated damaged be charged for late deliveries as agreed in the contract.

2.5 Theoretical framework

The study made use of the Transaction Cost Analysis (TCA) theory focusing on managing contracts (in terms of costs, quality and time) with the assumption that PEs try to manage effectively their procurement contracts because of ex ante and ex post uncertainties that may happen and affect the harmonious implementation or termination of the contract (Rindfleisch, 1997). Also on the other side, it is due to the assumption that there is ex ante and ex post opportunism in peoples' mind that once given the opportunity those concerned with contracts implementation or management will not do what was agreed or expected.

Bartle (2002) argues that certain concepts are central in the application of transaction cost theory in Government Procurement. These include bounded rationality of decision-makers, opportunistic behaviour among decision-makers and contractors, uncertainties which affect transactions and information asymmetry whereby information may not be distributed. Hence, effective monitoring and administration of the contract is very important in order to ensure that parties protect themselves from uncertainties, irrational decisions and opportunistic behaviours so that, at the end, there is successful contract management that guarantees the achievement of value for money by the respective PE.

2.6 Conceptual Framework

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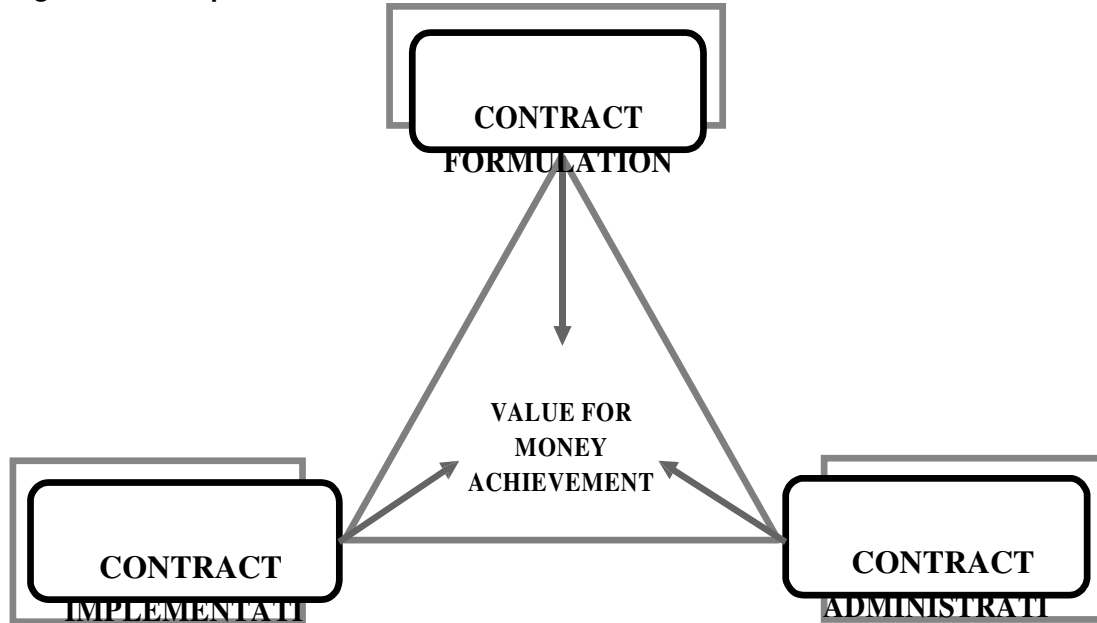
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The framework depicts the causal relationship of the variables, and the proposition of the

study is that contract formulation, contract implementation and contract administration are independent variables while value for money achievement is a dependent variable (see Figure 1).

Figure 1: Conceptual Framework



3. METHODOLOGY

3.1 Research Design

The study was undertaken by using a case study design. The design was particularly useful to the study since it seeks to describe the problem in more detail, to look at it as a whole and through it conclusions can be made. It involves the intensive study of a phenomenon in its natural habit, in such a way that the mutual relationship of relevant factors remains intact (Yin, 2003). Also, it was flexible in the use of data collection methods which allowed the researcher to generate in-depth contextual information and draw reasonable conclusion.

3.2 Description of the Study Area

The study was conducted at MUCCoBS (now MoCU). The area had been selected because it was one among the public institutions that engage in procurement of works and management of contracts as required by the PPA 2004. Also, at the time of this study, MUCCoBS was under transformation to a fully-fledged university; hence it was involved more with procurement of works to improve infrastructure compared to other fully-fledged universities. Therefore, this presented an opportunity to collect timely, valid and reliable data relating to the problem under investigation.

3.3 Sampling

The sample population constituted the staff of MUCCoBS in Procurement, Accounting,

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Building and Estate Management, Administration and Academic Departments at the main

campus. From the frame, a sample of 60 respondents was selected based on the nature of the study as only few respondents were knowledgeable on procurement proceedings and contract management activities. The sample was drawn by using purposive or judgmental sampling technique and random sampling technique. Hence, the sample composed of procurement staff (4), tender board (7), contract managers (7), heads of department (7), user department (14), estate officer (1), contract management team (10) and lecturers (6).

Under purposive/judgmental sampling technique, the researcher selected respondents who were completely knowledgeable about procurement, contract management proceedings and value for money: hence, selection was based on purpose. Respondents chosen included PMU staff, members of tender board and contract management team. Random sampling technique was used to select members of user departments and heads of departments whereby they were selected randomly from the list of employees in the respective department. However, during data collection out of expected 60 respondents only 48 respondents were active to return questionnaires and some of them interviewed. Hence, this makes a response rate of 80%.

3.4 Data collection Methods

The study made use of multiple approaches in gathering both primary and secondary data which enabled the researcher to do cross-data validity checks. Specifically the methods used included questionnaire (containing both pre-coded open and closed ended questions which were pre-tested before actual data collection to determine its suitability) and interview guides.

Furthermore, obtrusive observations were made to observe procurement proceedings, contract documents preparation, and contract implementation and administration activities. The study also reviewed tender and contract documents.

3.5 Validity and Reliability

In order to ensure validity, the questionnaire and interview guide were pre-tested through carrying out a pilot study to check the accuracy of the instruments in order to make corrections where necessary. Hence, the study was carried out in such a way that there was consistency between theory and practice. To ensure reliability a Cronbach's alpha as a measure of internal consistency was used. According to George and Mallery (2003), a study will be reliable if a scale of 0.7 and above is obtained. The study had a Cronbach's alpha of 0.805 which proves it to be reliable statistically.

3.6 Data analysis

Basing on the collected data the researcher used both qualitative and quantitative approaches to analyse data. Qualitative data analysis involved the use of "interpretive" and "reflexive" approaches as proposed by Mason (2002). These approaches were used jointly in order to describe, summarise and interpret the data through logical reasoning. On the other side the use of quantitative techniques involved utilisation of descriptive statistics and cross tabulation to analyse data.

4. RESULTS AND DISCUSSION

4.1 Formulation of Procurement Contracts for works and achievement of Value for Money

Effective contract implementation starts with having professionally procurement drafted

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contract that contains more than the minimum required terms and conditions. Findings

depicted in Table 1 show that 65.8% of the respondents reported that procurement contracts are sufficiently formulated because some of them have reviewed them while others have seen the outcomes of those contracts which formed the basis for their judgement.

Furthermore, the internal audit reports and PPRA audit reports support that contracts are adequately formulated as the University College managed to get above average score. None the less, some weaknesses were noticed in the implementation and supervision that is why 34.2% of respondents reported that contracts are not sufficiently formulated due to presence of contract delays and substandard works in some contracts.

Attributes		Frequency	Percent	Valid Percent
Valid	Fairly	13	27.1	34.2
	Adequately	25	52.1	65.8
	Total	38	79.2	100.0
	Not Applicable	10	20.8	
	Total	48	100.0	

A review of procurement contracts at PMU Office revealed that contracts were sufficiently formulated because they contained more than the required minimum necessary contract information. Some of the terms/conditions contained in the constructions contracts included specification, drawings, time plan, liquidated damages, defect liability period, performance guarantee, work rejection, payment terms and BOQ. The observed contract terms and conditions serve as a reminder of the duties/responsibilities and measures to be taken by the PE in case the contractor abandons the work or by the contractor if the PE delays payments. However, 24 respondents (50%) reported that these terms needed more backup in terms of monitoring and supervision in order to guarantee the expected results in terms of timely completion, risk management, minimising cost and improving quality. The findings are in line with the findings of Mshana (2007) who argues that ongoing and post-contract award activities have to be closely monitored and controlled to enhance procurement contract management. On the other side, this helps the College to avoid problems associated with adverse selection, information asymmetry and elements of ex-post opportunism as put forward by the TCA theory in construction contracts.

4.2 Implementation of Contracts for works as per Terms and Tonditions

4.2.1 Performance guarantee/bonds

Contracts documents reviewed showed that appointed contractors submitted the required performance security/guarantee as required in the contract and by the PPA 2004 either in the form of bank cheque or insurance bond. Requirement for submission of performance security/guarantee by the college is done in order to protect the college against contractor poor performance. This is also supported by the TCA theory assumptions that PEs should protect themselves against uncertainty and opportunism including moral hazard (Bartle, 2002) in case the contractor fails to perform to the required performance expectations or abandons the site. Once the contracts were finished, inspection reports indicated that inspections were carried out and those who performed to the required performance standard were given the certificate of completion and the set aside as performance bond were also returned to the contractors. Contract records at the PMU and Accounts office provided evidence that performance bond were returned to the contractors as required by the contract terms and regulation 123(7) of GN 97 in the PPA 2004.

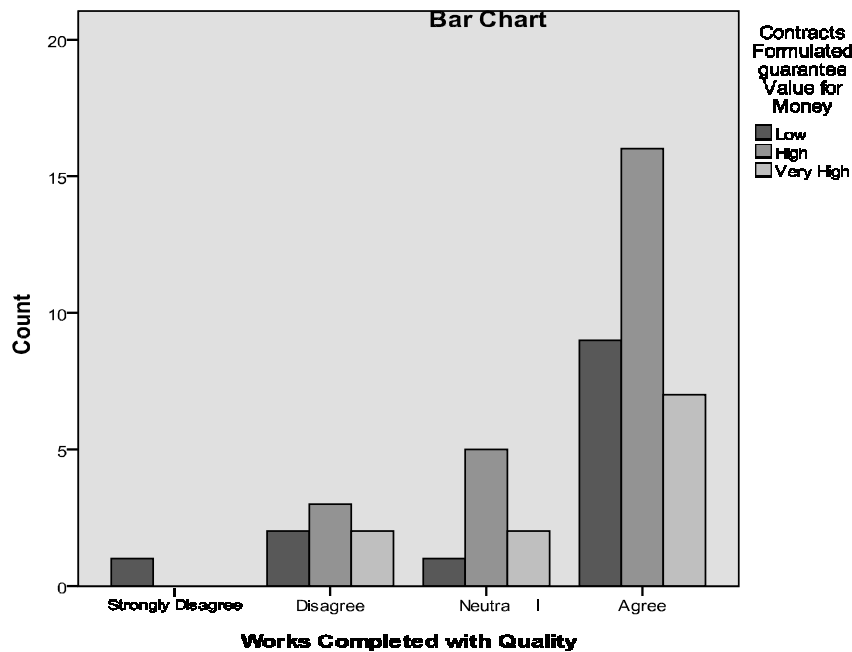
4.2.2 Quality related terms

As per International Federation of Consulting Engineers’ (“Fédération Internationale des Ingénieurs Conseils”- FIDIC) directives, quality is normally defined in several contracts terms including technical specification, drawings and BOQ provisions. Hence, the study wanted to determine how effectively these terms were followed. Findings indicate that 67.7% of respondents agreed that completed works conformed to the quality standards as specified. This was also supported by the consultants’ reports and other inspection reports that were reviewed. Respondents reported that, as users of the facilities, they were satisfied with the quality while some of them have participated in inspections or site visit meetings as members of contract management teams or inspection committee along with the consultant for quality control purposes. Data from consultant inspection reports and site visit reports confirmed that progress was evaluated and in case of variations, recommendations were made to the respective authorities (tender board and accounting officer) for assessment and decision making.

On the other side, 16.7% of the respondents had neutral opinion because they were not fully aware of the proceeding to provide a full judgement while 15.6% disagreed that completed contracts for works conforms to quality standards because there are some completed works which showed signs of defects after its completion such as presence of malfunctioning electrical devices and leaking roofs.

The study went further to determine the relationship as to whether contracts for works completed with quality guarantee the same contract to achieve value for money through using cross-tabulation technique.

Figure 1: Relationship between contract quality and value for money



Respondents who agreed that contracts for works were completed with quality also indicated that quality completion had a very high (7 respondents) and high (17 respondents) contribution to the achievement of value for money as the contracts were properly implemented in terms

of quality dimensions while consultants were hired and contract management teams were appointed to supervise and ensure quality conformance. Hence, this depicts a positive relationship between quality completion of the contract and achievement of value for money. This supports the observation of Mamiro (2010) who argued that proper supervision of contract implementation ensures that what is being delivered is actually what is being paid for (i.e, value for the money).

4.2.3 Time-related Terms

Basing on the reviewed contracts the terms related to time included projected work plan that indicated beginning and completion date, time extensions, liquidated damages and defect liability period. It was realised that there were time extensions for some contracts because the time indicated in the work plan seemed not to be adequate due to poor planning. As a result contracts completion was delayed and no liquidated damages were charged. This is supported with the findings of Wami (2009) and Hanga (2008) who found out that weaknesses in project planning and design results into unnecessary changes of contract scope. As a result contractors through consultation with consultant claimed for time extensions through time extension order.

The claims for time extensions were supported by Regulation 118 (1) of GN 97 which states that “time extension order may be issued only by the accounting officer provided that reasons for granting time extension orders must be fully documented in the procurement records”.

Therefore, before granting time extension, sufficient justification/evidence was provided by the contractor and consultant. That is why time extensions were not granted in all contracts. On the other side, there was little evidence as to whether liquidated damages were charged for delayed works due to extensions of time. This was also supported by 60% of respondents who believed that this term is not sufficiently used to punish contractors who delay works.

4.2.4 Cost related terms

To determine as to whether costs were controlled and contracts finished within budgets, respondents gave their views and they are presented in the Table 2. It shows that 39.6% of respondents disagreed on the assumption that contracts for works were completed within the budget because some contract had been delayed to be completed; and that increased the transaction costs of the contract.

Also, it is due to increase in inflation rate and price fluctuation in the supply market for construction materials that contract budgets are over spent from time to time.

Attributes		Frequency	Percent	Cumulative Percent
Valid	Strongly Disagree	13	27.1	34.2
	Adequately	25	52.1	65.8
	Total	38	79.2	100.0
	Not Applicable	10	20.8	
	Total	48	100.0	

On the other side 43.8% were of the opinion that completed contracts are within the budget because contract management teams and consultants were mandated with the task of

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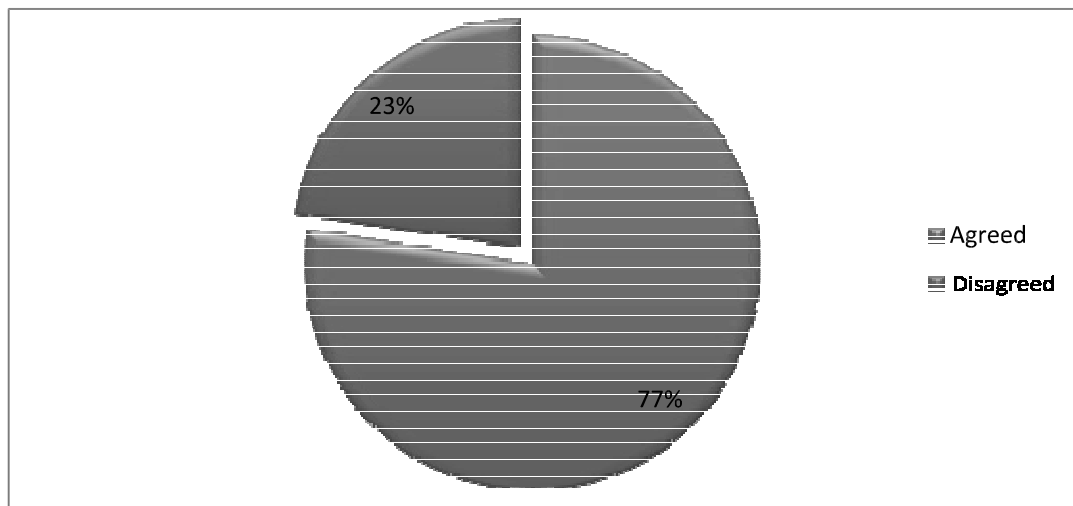
monitoring costs so that contractors may not escalate prices unnecessarily or claim additional

payments unreasonably. Nonetheless, a review of contract records at the PMU revealed that there are cost escalations in contracts due to presence of additional works and variations which required more financial resources compared to the budgeted amount. Also, tender board records showed that variations order and claims for additional payments were submitted for review, discussion and decision making. Hence, findings coincide with those of Mshana (2007) whereby he argued that PEs have been trying to monitor costs closely in order to avoid loss of public funds. The same is done at the college through using its organs (Accounting Department, PMU, Tender Board and Accounting Officer).

4.3 Contribution of effective Contract Management on the achievement of Value for Money

Contract management consists of several activities that include service delivery management, relationship management and contract administration (OGC, 2002). Based on the identified activities the study wanted to find out if contract management proceedings are effective or sufficient and thereafter assess their contribution on the achievement of value for money in terms of time, quality and cost. Hence, respondents were required to point out their observation on the above identified aspect and their observations are as depicted in Figure 2 below whereby 77% agreed that contract management proceedings are sufficient to guarantee the achievement of value for money while 23% had contrary observations that the proceedings are not enough to guarantee value for money.

Figure 2: Sufficiency of contract management proceedings to guarantee value for money



Those who agreed, during the interview, said that contract management proceedings were adequate because they had deep roots from the preliminary procurement proceedings where contractors were selected. This was also supported by the secondary data from the reviewed contract folders at the PMU office which indicated that all contracts for works had proper procurement proceedings from tender advertisement, submission, evaluation, award and contract signing. All supervisory organs (i.e. PMU, Tender Board, Consultants and Accounting Officer) played their roles as required by the PPA 2004 section 38 without intervening each others' functions. Hence, preparation of sufficient technical specifications, selection and awarding the contract to a competent contractor provides a foundation for performing contract management effectively as little efforts would be required in supervision.

Those disagreeing, (23%), pointed out that the proceedings are not adequate to guarantee achievement of value for money because there has been time extension, changes in scope of works and visible signs of defects on completed works such as leaking roof, malfunctioning electrical devices and substandard wall paints. All these made them to doubt the possibility of achieving value for money basing on quality perspective. Generally, the contract proceedings were sufficient to guarantee the achievement of value for money regardless of some weaknesses observed for some contracts. As pointed earlier, the study went further to measure the contribution of effective contract management on the achievement of value for money through assessing how the specific elements of time, quality and costs are managed and contribute to the achievement of value for money basing on the contract activities of service delivery and contract administration.

Time is managed effectively through the use of implementation schedule which provides a list of all activities and their respective starting and completion dates. There are cases where contractors requested for extensions of time which were granted. This defeated the meaning of having work time plans before the beginning of the works. Moreover, there was no evidence of liquidated damages charged to contractors for late completion of works and this was because of granting time extensions as requested by contractors from time to time.

Therefore, ineffective time management in some contracts has resulted into delayed completion of works which might have been contributed by poor management. As regards to quality of works, MUCCoBS (now MoCU) has been relying on site visits and inspections (done by inspection committees or contract management teams and consultants) to monitor contract quality and ensure conformance to technical specifications provided in the BOQ.

However, there was insufficient evidence of college quality assurance policy in place for procurement of works to ensure that works were executed as per specification. On its absence, the appointed contract management teams have been directed by the Accounting Officer to carry out regular site inspection with the consultant to ensure quality works through referring to the BOQ and quality terms in the contract. Sometimes, unawareness of the supervising officer on constructions issues has led to the occurrence of deviations which partially affected the quality of the work. There is a case where the contractor did not conform to some specification and items in the BOQ with little evidence of its approval in the contract for extension of Administration Block B.

On the aspect of controlling cost, all contracts costs were planned in the development budget and properly documented by the PMU in the Annual Procurement Plans detailing each works contract budgeted amount while transactions were recorded in the payment vouchers and cheque books in the Accounting department. Also, MUCCoBS had succeeded to put an effective mechanism for ensuring that costs were properly monitored and managed in a transparent and accountable manner. The mechanism as documented in the regulations includes cost verification by Accounting, Auditors and PMU Departments staff; submission, review and approval by Tender Boards and final approval by the Accounting Officer. The mechanism ensures that costs are properly monitored and payments are not made without proper documentation, review and approval by respective authorities. In return this contributes to the achievement of value for money through ensuring transparency, accountability and cost control by the respective authorities. Therefore, basing on the observations and analysis there was achievement of value for money in MUCCoBS' contracts for works due to the presence of effective contract management through management of time, quality and costs. The three components form the qualitative (non-monetary) measurement of value for money achievement as proposed by Awidi (2008).

5. CONCLUSION AND RECOMMENDATIONS

5.1 Conclusions

Effective management of procurement contracts is essential in order to achieve value for money in whatever transaction done by the PE. MUCCoBS has been undertaking many contracts for works whereby some of them have been effectively implemented and managed while few of them have not been effectively managed because of insufficient quality and time plans. 80% of the reviewed contracts were properly formulated through constituting more than the minimum required terms which were effectively followed during contract implementation.

Also, this provided the basis for achieving value for money through managing time, quality, costs and risks prevention during contract management activities. But on the other hand few contracts did not qualify for value for money achievement due to failure to be completed on time and inadequate quality of the finished work.

Based on the above, therefore, researchers conclude that the College has been able to achieve value for money in procurement contracts for works as a result of having effective contract management practices. This is because contracts were adequately formulated, implemented and managed in terms of time, quality and costs to guarantee the achievement of value for money despite some few weaknesses. However, the identified signs of ineffectiveness should not be ignored as they will affect the college efforts in the near future with regard to value for money achievement.

5.2 Recommendations

Basing on study observations and conclusions, it is recommended that MUCCoBS should strive to ensure tentative quality plans are developed before contract implementation, inspection should be conducted during defect liability period to identify areas to be rectified, liquidated damages should be imposed on delayed works and training members of tender board and contract management teams on procurement contract proceedings in order to enhance their knowledge.

5.3 Policy Implications

The study found out that in order for contracts to deliver the required results there is need for having adequate legal terms and conditions that will provide the legal support to the parties. The PPA 2004 which is the procurement legal framework provides very little framework with regard to how contracts should be formulated as indicated in the literature review and findings. This presents a lot of challenges to practitioners when it comes to contract formulation especially on the contract coverage. Therefore, there is a need for providing adequate legal support on contract formulation and coverage.

Also, the study found out that procurement contract are hardly reviewed and this is highly contributed by lack of public procurement policy addressing how procurement contracts should be reviewed after being signed and partly implemented. Hence, there is a need for the policy makers to formulate a public procurement policy in order to address procurement contract reviews issues. Furthermore, specific value-for-money achievement directives in public procurement should be prepared. Current legislations only provide general details on value for money which are not adequate or specific enough to provide guidance on practitioners. Hence, PPRA should develop directives addressing matters relating to formulation of value for money objectives, value for money terms in the contract, value for money performance measurement criteria and contract auditing.

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