

# Influence of Tendering Process on Performance of Selected Public Institutions: Case of Public Procurement Entities in Kigali City

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**Abstract:** *The purpose of the study was to determine the influence of tendering process on performance of public institutions. The study was guided by the following specific objectives. To assess the influence of procurement plan resulting from tendering process on the performance of public institutions, to establish the influence of tender preparation resulting from tendering process on the performance of public institutions, to find out the influence of quality resulting from tendering process on the performance of public institutions, to determine the influence of lead time resulting from tendering process on the performance of public institution. The research employed a descriptive research design. A case study design was adopted for the study. The study targeted 43 procurement officers from 10 Rwanda public institutions procurement officers in Kigali Headquarters. Census technique was applied and used to determine the sample size. The study used both primary and secondary data, where questionnaires and annual reports from the public procurement entities were used. Primary data for the study was collected using structured questionnaires that was administered to the respondents. Data collected was processed using SPSS version 21. Data analysis was done using descriptive and inferential statistics where statistical computations for averages, percentages, and correlation and regression analysis. The findings revealed that the level of procurement plan in the county government was good. They further revealed that procurement plan reduced corruption during tendering process hence resulting to enhanced performance in public institutions. Further the researcher found out that Public administration on tendering process leads to tender preparation during the tendering process and hence positive performance of public institutions. The research findings also revealed that high lead time variability due to tendering was a major reason for the institutions inability to achieve inventory goals and hence affecting the performance of public institutions negatively. Based on the findings, the researcher recommended that the organization employees to be more transparent in the tendering process, the organization puts in place measures to enhance procurement plan during the process and also to minimize lead time to enhance the speedy delivery in the organization and thus enhance overall organization performance of the organization. The researcher recommended a further research to be carried out on the influence played of other alternative procurement methods on performance of public institutions. Further studies should be conducted on the critical success factors of tendering in public institutions.*

**Keywords:** Tendering Process, Performance, Procurement, Procurement plan, Competitive tendering

## 1. Introduction

In public procurement, the economic results must be measured against more complex and long-term criteria. Furthermore, public procurement is transacted with other considerations in mind, besides the economy. These considerations include tender preparation, non-discrimination among potential suppliers and respect for international obligations. For these reasons, public procurement is subjected in all countries to enact regulations in order to protect the public interests. It's worth noting that unlike private procurement, public procurement is a business process within a political system and has therefore significant consideration of integrity tender preparation national interest and effectiveness. (Wittig 2012).

## 2. Statement of the Problem

Despite an increase in knowledge in the tendering process according to PPDA 2005 very little has been done to analyze the effect played by tendering process on the efficiency and effectiveness of public institutions. The Government of Rwanda has implemented several reforms to address inefficiency in the use of public resources and weak institutions of governance. The PPDA 2005 has established procedures for tendering and disposal of unserviceable, obsolete or surplus stores and equipment by public entities

to achieve; maximize economy and efficiency, promote competition and ensure competitors are treated fairly, promote the integrity and fairness of those procedures, increase procurement plan and tender preparation in those procurement process not limited to need identification, procurement plan, tender preparation, publication of tenders and lead time increase public confidence in the procedure and facilitate the promotion of local industries and economic development show the problem that gives rise to your study despite an increase in knowledge in the tendering process according to PPDA 2005 very little have been done to analyze the influence played by tendering process on the efficiency and effectiveness of public procurement.

Currently, there are weak oversight institutions, lack of proper procurement planning, poor linkages between procurements and expenditures, delays and inefficiencies, poor records management, bureaucracy, rampant corruption, Political interests. Bottom-up approach to the development of institutional mechanisms for holding to account the domestic implementation of international regulatory decision-making is also missing hence the need to investigate on the influence of tendering process. The research therefore, sought to establish the gap in performance of public institutions influenced by tendering procedure, Internal tendering committees (ITC) application and tender records management influence the performance of public procurement.

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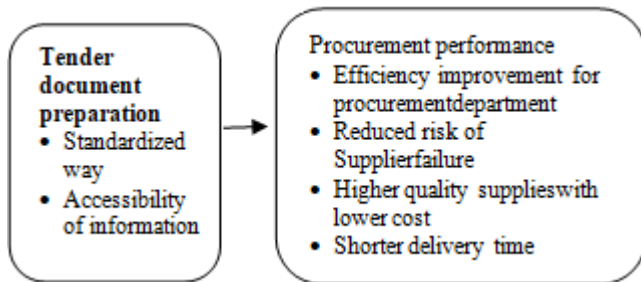
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### 3. Objectives of the Study

The general objective of this study was to determine the influence of tendering process on performance of selected public institutions. One of its specific objectives was to establish the influence of Tender document preparation resulting from tendering process on the performance of public institutions.

### 4. Conceptual Framework



### 5. Research Methodology

- **Research Design:** The study used a descriptive research design.
- **Target Population:** The target population comprised of a total of 10 public institutions in Rwanda where employees from the procurement department were the main respondents. Hence the target population was 430 employees
- **Data collection instruments:** Primary data was collected through scheduled interviews with the identified target managers in the identified public institution. The researcher also employed the use of email questionnaires to fit into the need for convenience for the busy managers. A structured questionnaire with both closed ended and open-ended questions was used to use to guide the interview
- **Data processing and analysis:** Data collected using the questionnaire was analyzed through SPSS (Statistical Packages of Social Sciences) version 21. Data was coded for analysis. Descriptive statistics such as mean and standard deviation was used to describe indicators of tendering process and procurement performance. Correlation analysis with one tailed significant test was used to test the correlation between individual indicators of tendering process and procurement performance while a multiple regression was used to test the overall effect of tendering process on procurement performance. ANOVA test was conducted to test the statistical significance of the overall influence of the tender process on procurement performance of public institution in Rwanda.

### 6. Summary of Research Findings

#### 6.1 Tender document preparation and Performance of Public Institutions

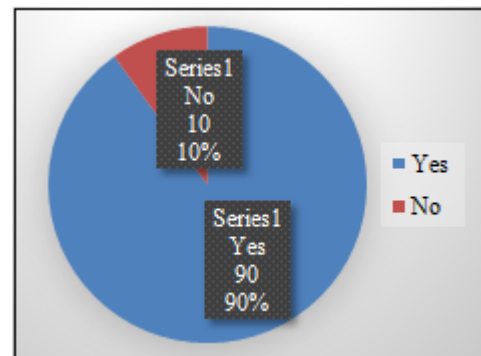


Figure 1: Effects of Tender preparation on the Performance of Public Institutions

From the findings, 89% of the respondents indicated that tender preparation resulting from tendering process played influence in the performance of public institutions while 11% cited that it had no effect. This implies majority of the respondents indicated that tender preparation resulting from tendering process played a influence in the performance of public institutions.

#### 6.2 Extent to Which Tender preparation Played Influence in the Performance of Public Institutions

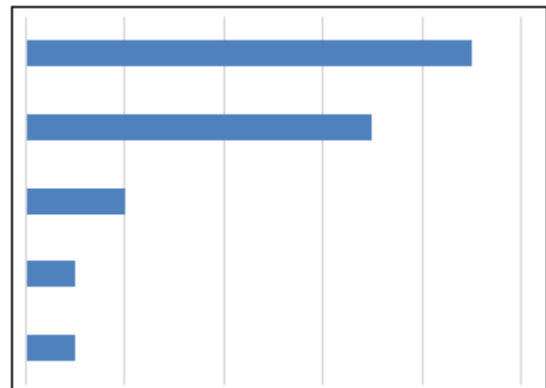
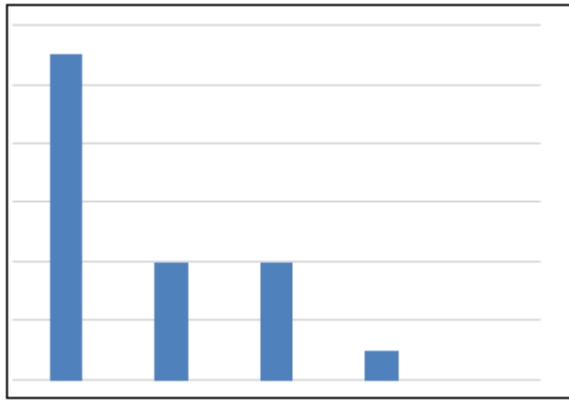


Figure 2: Extent to which tender preparation played a influence in the Performance of Public Institutions.

The findings revealed that, 45% of the respondents indicated to a very large extent, 35% cited to a large extent while 10% cited to a moderate extent, 5% cited to a small extent and 5% of the respondents indicated to a very small extent. These results show that majority of the respondents indicated that resulting from tendering process played influence in the performance of public institutions.

#### 6.3 Level of Tender preparation of Procurement Officers



**Figure 3:** Level of Tender preparation of Procurement Officers

From the findings, 55% of the respondents indicate it was excellent, 20% of the respondents stated it was very good, 20% stated it was good, 5% cited it was poor and none of the respondents indicated it was very poor. This implies that majority of the respondents indicated that the level of tender preparation of procurement officers in the organization was excellent.

**6.4 Level of Agreement on Statements Effects of tender preparation on Performance**

The study sought the view of the respondents in regard to the influence of Tender publication as a tendering process influence Procurement Performance in the organization was captured using 5-Strongly disagree; 4 – Disagree; 3 – Indifferent; 2 – Agree; 1 –Strongly agree. The statements, respondents’ opinions and their percentages are as shown below:

**Table 1:** Effects of Tender preparation on Performance of Public institutions

Statements	SA	A	U	D	SD
Public administration on tendering process leads to publication of tenders during the tendering process and hence positive performance of public institutions	18 (45%)	14 (35%)	4 (10%)	4 (10%)	0 (0%)
Audit of public institutions leads to tender publication in the public service delivery hence resulting to better performance of public institutions	16 (40%)	12 (30%)	8 (20%)	2 (5%)	2 (5%)
Strict procedures followed in public procurement leads to tender preparation thus contributing to good performance of public institutions	20 (50%)	12 (30%)	4 (10%)	2 (5%)	2 (5%)

When the researcher sought to determine whether Public administration on tendering process leads to tender preparation during the tendering process and hence positive performance of public institutions, 45% strongly agreed, 35% agreed, 10% were undecided, 10% disagreed, while none strongly disagreed. On whether audit of public institutions leads to tender preparation in the public

service delivery hence resulting to better performance of public institutions 40% of the respondents strongly agreed, 30% agreed, 20% were undecided, 5% disagreed and 5% strongly disagreed. In trying to establish whether strict procedures followed in public procurement leads to tender preparation thus contributing to good performance of public institutions, 50% strongly agreed, 30% agreed, 10% were undecided, 5% disagreed and 5% strongly disagreed.

**Table 2:** Correlation between tender preparation and performance

		Tender preparation	Performance
Tender preparation	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	40	
Performance	Pearson Correlation	.624**	1
	Sig. (2-tailed)	.000	
	N	40	40

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 2 indicate that Tender preparation is significantly correlated to the tendering process performance (r=0.624, p<0.01). This implies that the increasing the Tender preparation in this case public institutions would result to increased performance of the public institutions.

**Conclusions and Recommendations**

**7.1 Conclusions**

Based on the findings, the researcher concluded that the level of procurement plan in the organization was good. The findings further revealed that procurement plan reduced corruption during tendering process hence resulting to enhance the performance of public institutions. The researcher concluded that

**Procurement plan** in procurement planning resulting from tendering process played influence in the performance of public institutions to a very large extent. Further the researcher concluded that Public administration on tendering process leads to tender preparation during the tendering process and hence positive performance of public institutions.

**Tender preparation** in Tender preparation resulting from tendering process played an influence in the performance of public institutions to a very large extent. The research findings further revealed that high lead time variability due to tendering is a major reason for an organization inability to achieve inventory goals and hence affect the performance of public institutions negatively.

**Publication** resulting from tendering process played an influence in the performance of public institutions to a very large extent. The research findings further also revealed that compliance with tendering procedures ensures quality thus enhancing organization performance. Lead time resulting from tendering process played a influence in the performance of public institutions to a very large extent.

## 7.2 Recommendations

- **Procurement planning**, based on the findings researcher recommended that the government employees need to be more transparent in procurement planning and exercise good practice in the tendering process. The organization should be able to put in place measures to enhance procurement plan during the tendering process.
- **Tender preparation**, the researcher further recommended there was need for the organization employees to be more accountable during tender preparation. This will help in enhancing the effectiveness of the process thus better performance.
- **Publications**, Further the researcher recommended that there was need for the organization to put more effort in issues related to publications more especially electronic mode of publication which will increase overall organization performance of the public institution.
- **Lead time**, Finally Researcher recommended that there was need for the institutions to maintain lead time and minimize the initial time the process takes between the procurement process. The organization performance should be always instilled on the employees in order to ensure that they always perform better.

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