INTEGRATING CONTRACT MANAGEMENT PRACTICES INTO THE ACHIEVEMENT OF VALUE FOR MONEY IN TANZANIA PUBLIC PROCUREMENT: EVIDENCE FROM SELECTED PROCURING ENTITIES IN MOSHI MUNICIPALITY

Alban Mchopa*

ABSTRACT. Contract management is an important activity in public procurement especially on executing development projects while aiming at value for money. On the contrary, reports from the Public Procurement Regulatory Authority show that funds have been wasted due to poor contract management practices hindering value for money achievement. Hence, the study aimed at assessing the contribution contracts management practices towards value for money achievement. Questionnaires and Interviews were used for data collection and findings revealed that contracts contained all the necessary conditions, contracts practices of time management, quality management and costs control were effective and resulted into value for money achievement. Therefore, value for money was achieved above average scale by considering qualitative measures and it was recommended that more efforts are needed to enhance supervision and enforce defect liability clause.

INTRODUCTION

Background

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 principle of value for money (Mamiro, 2010).

Contract management is an important activity in public procurement which covers all the activities performed by the Procuring Entity and Bidders upon signing of the contract up to full discharge of the obligations. It is often an extremely controversial subject matter (Trepte, 2011) especially 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 Procuring Entities (PEs) to be responsible for the effective management of any procurement contract for goods, services or works which is undertaking in accordance with the terms of each contract. Despite the legal requirements the Controller and Auditor General (CAG) report for the financial year 2010/2011 identified several weaknesses in contracts management and its practices in public procurement. 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 practices in order to avert the apparent loss of public funds.

Coverage of the Study

The study has covered issues of procurement contracts formulation, procurement contracts implementation practices as per terms and conditions of the contract and the contribution of contract management practices on the achievement of value for money in public procurement.
LITERATURE REVIEW

Concepts and Theory

Contract management is the process that enables both parties to a contract to meet their obligations in order to deliver the objectives required in the contract. It covers transition and implementation, ongoing day-to-day management, evaluation, and succession planning (Australian National Audit Office, 2001). Hence, it is the process that ensures that a contract is performed to a standard that meets the objectives and expectations of both parties. High priority is placed in achieving value for money by ensuring that there is a balance between costs, delivery, quality and risks while attaining Economy, Efficiency and Effectiveness (3E’s).

The Tanzanian Public Procurement Policy of 2012 identifies value for money as the core principle of the policy underlying public sector procurement. Value for Money in procurement contracts is a good measure of an economy and efficiency with which public financial resources are converted into procured quality goods, services and works for provision of public services. It is evaluated on a whole-of-life basis of the good or service being procured and is influenced by a number of factors which procuring entities have to observe (United Republic of Tanzania, 2012). The factors include adoption of procurement methods which are economical; performance history of each prospective supplier through a product search and maintenance of database of best performers; financial considerations, including all relevant direct and indirect benefits and costs; calculation of the relative risk in the entire procurement process and evaluation of contract options that takes value and quality on balance.

The study made use of the Transaction Cost Analysis (TCA) theory focusing on contract management practices with the assumptions 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 management will not practise 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, *uncertainties* which affects transactions and *information asymmetry* whereby information may not be distributed as expected.

Hence, effective monitoring and administration practices during contract implementation are important to ensure that parties protect themselves from uncertainties, irrational decisions and opportunistic behaviours which might hinder the achievement of value for money by the PE.

**Legal Framework for Procurement Contracts Management**

Procurement Contracts like any other must be backed up with the legal framework for them to be valid and legally recognised. One of the legal requirements is as captured in section 69 (1) (a) of the PPA 2004 that requires contracts not to be altered or amended in any way by both parties once the contract has been drafted, signed and awarded to the contractor unless such alteration or amendments is to the benefit of the government. Hence, it is the utmost important to ensure that public procurement contracts are for the benefit and interest of the general public in areas of social services provision and development of infrastructure.

Also, regulation 123 of PPA 2004 (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 of daily, weekly or monthly reports from the PE’s supervisor responsible for the services or works. If contractor’s performance is satisfactory, the PE has to authorise payments by measurement and certification, contrary to that the PE shall draw contractor’s attention to any short-comings, and may refuse to authorise further payments until the identified defects are remedied.

There have been situations where projects contracts have been initiated without a planned follow-up or close monitoring of the implementation process. This led to entering into a project agreements without the PE’s management commitment to ensure a return on investment and value for money. Hence, the Public Procurement Policy (2012) put in place an effective contract administration and management system that requires ensure existence of effective contract administration and management
INTEGRATING CONTRACT MANAGEMENT PRACTICES INTO THE ACHIEVEMENT OF BEST VALUE

... system with adherence to fundamental principles of public purchasing; quality assurance and governance mechanisms in the procurement of works, goods and services; ensure existence of a technically competent contract writing and effective contract administration and management system throughout contract implementation period; and ensure existence of effective contract monitoring and evaluation system throughout contract implementation period. Therefore, when the identified policy and legal framework is observed it provides the grounds for the PEs to achieve value for money through effective contract management.

Contracts Formulation in Public Procurement

In the formulation of the procurement contract for good, works or services it is important amongst other things, to ensure that the terms and conditions of the contract are appropriate so as to ensure the best achievable value for money for the PE. Based on that, the World Bank (2014) has provided some of the general and specific terms and conditions that should be included in the procurement contract. These include currency, price adjustment, bid and performance securities, conflict of interest, professional liability, staff substitution, applicable law and dispute settlement. On the other side the International Federation of Consulting Engineers (FIDIC) has provided some of the general and specific terms and conditions of the contract for works which include applicable law, 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).

Hence, it is important to formulate the contract that meet the required standards and at the end, adherence 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 (Ministry of Finance, 2011). Nonetheless, as pointed earlier the PE has the responsibility of monitoring the contract performance against the statement of requirements or schedule of works as stated in the contract. Therefore, the implementation of the agreed terms and
conditions in the contract is crucial to ensure the achievement of value for money.

**Contract Management Activities and Implementation**

The implementation of the contract requires Procuring Entities to focus on ensuring that the contract is completed on time, quality is satisfactory, risks are minimised and cost are minimum. In return this demands ethical conducts and professional practices in order to ensure all contract activities are performed to the expected standard by both parties. The practices of contracts management consists of a range of activities that are carried out together to keep the arrangement between customer and provider running smoothly.

These include 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 (Office of Government Commerce, 2002). The three activities must be managed successfully and should not be separated from each other, but rather form an integrated approach throughout.

**Effective Contract Management Practices**

Successful and efficient contract management practices are those that meet the needs of the company’s stakeholders, achieve optimum conditions and value in regard to the allocation of scarce tax payers resources (best value for money), ensure rational and efficient of funds available, stimulate valuable competition and manage the risk and potential liabilities to the buyer thus improving service delivery (Oluka & Basheka, 2012). Thus enforcement of existing regulatory measures must be enforced to avoid pitfalls of inefficient contract management process and eventual poor service delivery. The people in charge of the contracts need to play an important and meaningful role in ensuring that the company’s contractual goals are fully achieved at the minimum cost possible.
The supervisors (contract managers) should be knowledgeable in contract management. Organisations must, therefore, assign experienced staff to supervise the consultant and contractors. This should be accompanied by proper record keeping (i.e., bid). The public procurement regulatory framework dictates that contracts must be drawn carefully involving all stakeholders for completeness to avoid as unnecessary deviations. Therefore, key responsibility centres, as they relate to different procurement processes must be established. Minahan (2007) observes that it is possible to design contracts that are robust enough to profitably continue operations in the face of expected deviations and unexpected disruptions and quickly recover from disasters.

In the Common Market for Eastern and Southern African (COMESA) Trainers of Trainers Workshop held in Addis Ababa, Ethiopia from 25th July-5th August 2010, participants identified key five determinant practices that can influence contract management, as shown in Table 1.

<table>
<thead>
<tr>
<th>Determinants</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Putting in place structure and resources</td>
<td>Identifying and defining processes and a clear contract management plan, with a focus on outputs and milestones to performance</td>
</tr>
<tr>
<td>Ensuring the right people are in place</td>
<td>The contract manager has a detailed knowledge of the contract</td>
</tr>
<tr>
<td>Clear roles and responsibilities</td>
<td>Clearly defining the responsibilities of the contract manager and the contractor supplier in a contract</td>
</tr>
<tr>
<td>Feedback and communications mechanisms</td>
<td>Regular and routine feedback is given to suppliers on their performance; Users understand what the contract is intended to deliver</td>
</tr>
<tr>
<td>Payment and incentives</td>
<td>Ensuring payments are made to the supplier in line with the contract</td>
</tr>
<tr>
<td>Managing risks</td>
<td>Identifying and anticipating risk such as service failure, reputation as, damage and additional costs</td>
</tr>
</tbody>
</table>

Source: Oluka and Basheka (2012).
Rendon (2010) further outlines critical success factors for both project and contract management as being qualified workforce, clear processes, relationships, resources, leadership and policies all of which have a direct impact on an organization’s project management and contract management processes as well as resulting outcomes. Based on the aforementioned practices, the study focused on the contract management practices of managing quality, cost control, time management and performance guarantee in the contract implementation phase.

**Conceptual Framework**

The conceptual framework (Figure 1) depicts the causal relationship of the variables and the proposition of the study that procurement contract formulation, quality management, cost control and time management are independent variables while the achievement of value for money in public procurement is a dependent variable.

![Conceptual Framework](image)

Procurement contracts must be adequately formulated to contain more than the minimum required terms and conditions that will provide guidance during contract implementation in order to guarantee the achievement of value for money. The terms depend on the nature of the items to be procured and the complexity of the contract at the time of its implementation. Also, on the other side the contract management practices of managing quality, cost control and
time management have a high contribution on the achievement of value for money through ensuring that there is efficiency, effectiveness and economy during contract implementation.

According to International Trade Centre (2000), procurement contract costs are effectively controlled 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. Any signs of cost escalations should be dealt with as early as possible before affecting performance and value for money. Furthermore, quality is managed through using the contract quality plan, a prime document spelling out how the quality performance and objectives will be achieved. It provides details on how the quality function is organised, and 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. Therefore, in order to achieve value for money the contracts should be properly formulated and during contract implementation the focus of the PE should be on efficient/effective monitoring and management costs, time, quality and risks which have an impact on the achievement of value for money.

The Research 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 the procurement process virtually “ends” upon award of contract. According to Mamiro (2010) 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.

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 (2012) for the financial year 2010/2011 revealed that procurements amounting Tshs. 3,115,507,827/= (equivalent to 1,832,652 USD) were misappropriated as a result of weaknesses in contracting and contract management practices which in return hindered the achievement of value for money in such public procurement contracts. Therefore, basing on the observed poor contact performances, contract management malpractices and legal incompliance the study aimed at assessing the contribution of contracts management practices towards achieving value for money in public procurement.

**METHODOLOGY**

Case study research design was used to undertake the study where multiple cases were selected including Public Institutions in Moshi Municipality that engage in the procurement of goods, works and services as required by the Public Procurement Act of 2004. The design involved intensive analysis of the phenomenon in its natural habit, in such a way that the mutual relationship of relevant factors remains intact (Yin, 2003). Moshi Municipality is the Kilimanjaro Regional Headquarters covering about 50sq Kilometres located
under the Southern slopes of Mt. Kilimanjaro which lies approximately 3°18 south of Equator and 37°20 east of Greenwich.

Purposive sampling technique was used to pick a sample of 48 procurement practitioners (out of 60 practitioners in the selected PE) including procurement experts, members of Procurement Management Unit and Tender Boards, Legal Officers and members of Contract Management Committees. Multiple approaches including questionnaire (distributed to all 48 practitioners), interviews (with 10 key informants among the 48 practitioners in order to get more information) and documentary review were used to gather both primary and secondary data which enabled the researcher to do cross-data validity checks. Data were analysed through applying qualitative techniques that involved the use of interpretive and reflexive approaches while quantitative techniques involved utilisation of descriptive statistics as a tool for data analysis.

FINDINGS AND DISCUSSIONS

Procurement Contracts Formulation

Effective contract implementation starts with having professionally procurement drafted contract that contains more than the minimum required terms and conditions. Findings depicted in Table 2 show that 72.9% of the respondents reported that procurement contracts are sufficiently formulated while 16.7% reported that contracts are moderately formulated and 10.4% pointed out that contracts are not sufficiently formulated due to presence of contract delays and substandard products in some contracts.

A review of procurement contracts at Procurement Management Unit Offices revealed that contracts are sufficiently formulated

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sufficient</td>
<td>35</td>
<td>72.9</td>
<td>72.9</td>
</tr>
<tr>
<td>Moderate</td>
<td>8</td>
<td>16.7</td>
<td>89.6</td>
</tr>
<tr>
<td>Insufficient</td>
<td>5</td>
<td>10.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>
because they contained more than the required minimum necessary contract information. Some of the terms/conditions contained in the contracts for goods, works and services included specification, terms of reference, drawings, time plan, delivery schedule, liquidated damages, defect liability period, performance guarantee, inspection, rejection of goods, works or services, payment terms, Bill of Quantity and termination. The observed contract terms and conditions (in the reviewed contracts for procurement of goods, works and services) serve as a reminder of the duties/responsibilities and measures to be taken by the PEs in case the supplier, service provider, contractor breaches the contract.

However, during the interview some respondents pointed out that the aforementioned terms and conditions need more backup in terms of monitoring and supervision in order to guarantee the expected results such as timely delivery, risk management, cost minimisation and quality delivery. 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 PEs to avoid problems associated with adverse selection, information asymmetry and elements of ex-post opportunism as put forward by the assumptions of TCA theory.

Contracts Management Practices during Contract Implementation

Performance Guarantee Practices

Contracts documents reviewed showed that successfully evaluated and appointed suppliers, service providers and contractors submitted the performance security/guarantee as required in the contract and the PPA 2004 in the form of bank checks or insurance bond. The requirement for submission of performance security/guarantee by PEs was done in order to protect themselves against poor performance practices during contract implementation. 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 suppliers or service providers fail to perform as expected.

The surveyed PEs provided evidence to show that in all major and expensive contracts suppliers, service providers and contractors
submitted performance guarantees and those who failed to do so were not allowed to start contract implementation until submission. Upon contract implementation, performance and quality inspections were carried out and those who performed to the required performance standard were given delivery note or certificates of completion and performance bonds were returned to the respective suppliers, service providers or contractors. Contract records at the Procurement Management Unit and Accounts Offices provided evidence that performance bond were returned to the suppliers, service providers or contractors as required by the contract terms and regulation 123(7) of GN 97 in the PPA 2004.

**Quality Management Practices**

As per PPA 2004 provisions, quality is normally defined in several contracts terms including technical specification for goods, terms of reference for services and drawings and Bill of Quantity for procurement of works. Hence, the study wanted to determine how effectively these terms were followed. Findings (Table 3) indicate that 62% of respondents agreed and 8.3% strongly agreed that completed contracts conformed to the quality standards as specified. Respondents reported that as users of the goods, works and services procured are satisfied with the quality because of conformance to technical specification, quality standards and terms of reference. The conformance has been achieved due to presence of better contract management practices including quality inspections, appointment of contract management teams, use of quality consultants and other external experts for quality control purposes. Data from consultant inspection reports and site visit reports confirm 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, 12.5% of the respondents had neutral opinion because they were not fully aware of the proceeding to provide a full judgement while 14.6% disagreed that completed contracts for works conforms to quality standards because presence of substandard goods and completed works with signs of defects such as malfunctioning electrical devices and leaking roofs. The study went
### Table 3
**Completed with Quality * Value for Money Guarantee (n=48)**

<table>
<thead>
<tr>
<th>Attributes Perceptions</th>
<th>Contracts Guarantee Value for Money</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
</tr>
<tr>
<td>Contracts completed with Quality</td>
<td>Strongly Disagree</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12</td>
</tr>
</tbody>
</table>

Further to determine the relationship as to whether contracts completed with quality guaranteed the achievement of value for money through using cross-tabulation technique.

Respondents who agreed that contracts for works are completed with quality also indicated that quality completion has a very high (8 respondents) and high (16 respondents) contribution to the achievement of value for money as the contracts were properly implemented in terms of quality dimensions as 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).

**Time Management Practices**

Basing on the reviewed contracts the terms related to time included delivery schedule, service and work plan that indicated beginning and completion date, time extensions, liquidated damages and defect liability period. It was realised that time extensions were granted in some contracts (20%) because the time indicated seemed not to be adequate to allow proper delivery due to underestimation caused by poor planning, negligence and transportation problems. As a result some contracts were delayed and unfortunately there was no
evidence of the liquidated damages charged for delayed goods, works and services. The result contractors through consultation with consultant claimed for time extensions through time extension order.

Nonetheless, in some contracts time extension were granted basing on sufficient justification/evidence as provided by the suppliers, service providers and contractor which were also supported by the technical units and consultants. In such a case CEO of the PEs were in a position to grant time extensions as required 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”. Other contracts had better time management practices that include monitoring, expediting and close follow ups made by contract management teams, consultants and contract managers. The practices ensured that contracts were completed on time whereby goods, services and works were delivered/completed as expected.

**Cost Control Practices**

Cost control is an important function during contract management in order to ensure that activities are performed within the established contract budget. Findings showed that practices of cost control in the surveyed PEs focused on price negotiation, budget control, cost documenting and monitoring. To determine as to whether costs were controlled and contracts finished within budgets respondents gave their views and as presented in Figure 2.

Statistics shows that 43.75% agreed and 6.25% strongly agreed that completed contracts were within the contract budget because effective cost control practices by the PEs. Contract management teams and consultants were mandated with the task of monitoring costs so that suppliers, service providers and contractors may not escalate prices unnecessarily or claim additional payments unreasonably.

Nonetheless, a review of contract records at the revealed that cost escalations due to presence of additional requirements and change of specifications were adequately reviewed by the consultants, tender boards and auditors to determine if they are
realistic compared to the budgeted amount. This enabled decision makers such as the tender boards and CEOs to make rational decisions free from opportunism, information asymmetry and bounded rationality as argued by Bartle (2002).

On the other side 31.25% of respondents disagreed on the assumption that cost control practices have resulted into contracts to be completed within the budget because some contract in the procurement of goods and construction have been delayed to be completed which increased contract transaction costs. Also, it is due to price fluctuation in the supply market that makes contract budgets to escalate from time to time as a result of providing additional payments to suppliers, service providers and contractors. Hence, cost control practices need to be improved to avoid overspending of funds.
Contract Management Practices and the Achievement of Value for Money

Based on the identified practices of time management, cost control and quality management the study went further to find out if contract management proceedings are effective or sufficient and contribute to the achievement of value for money. Hence, respondents were required to point out their observation on the above identified aspect and their observations shows 77% agreed that contract management practices 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.

Those who agreed during the interview said that contract management practices are effective because they have deep roots from the preliminary procurement proceedings where suppliers, service providers and contractors were selected. This was also supported by the secondary data from the reviewed contract files at the procurement offices which indicated that all contracts had proper procurement proceedings from tender advertisement, submission, evaluation, award and contract signing. 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 competent suppliers, service providers and contractors provided a foundation for performing contract management effectively as little supervision efforts would be required.

Time management practices ensured that delivery progress was tracked and there was close follow up to ensure that goods, services or works are delivered on time as agreed and expected by both parties though there were delays and time extensions. Cost control practices involved the use of transparent and accountable mechanism that ensured costs are properly monitored and payments are not made without proper documentation, review and approval by respective authorities. In return this contributed to the achievement of value for money through ensuring transparency, accountability and cost control. On the other side quality management practices guaranteed quality delivery to satisfy users of the goods and services procured because of conformance to technical specification, quality standards and terms of reference. The conformance led to the
achievement of value for money due to presence of better contract management practices including quality inspections, appointment of contract management teams, use of quality consultants and other external experts for quality control purposes.

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, delivery schedule 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 time control and quality perspective. Generally, the contract proceedings were sufficient to guarantee the achievement of value for money regardless of some weaknesses observed for some contracts.

**CONCLUSION**

Contract management practices are essential in order to achieve value for money in whatever transaction done by the Procuring Entities. On average 70% of the reviewed contracts were properly formulated through constituting more than the minimum required terms and conditions followed by effective contract management practices of performance guarantee, quality management, cost control and time management during contracts implementation. Procuring Entities managed to protect themselves from opportunism, moral hazards, frauds and information asymmetry as a result of having competent contract management teams, consultants and experts who ensured that contract management practices are in line with required and expected performance standards.

This in return provided the basis for achieving value for money through managing quality, time, costs and risks prevention. However, 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, delivered goods and services provided.

Based on the above, therefore, it is concluded that the surveyed Procuring Entities have been able to achieve value for money in procurement contracts for goods, works and services as a result of having effective contract management practices. Finally, it is recommended that, the identified signs of ineffectiveness and poor
performance should not be ignored as they will affect the future efforts with regard to value for money achievement.

ACKNOWLEDGEMENT

My heartfelt appreciation goes to the management of the Procuring Entities that granted me permission to collect data from their institutions. Also, special thanks to all respondents who filled the questionnaires and agreed to be interviewed. Finally, I acknowledge the fruitful contribution from my procurement colleagues and experts.

REFERENCES


