DEVELOPING PUBLIC PROCUREMENT PERFORMANCE MEASUREMENT SYSTEMS IN DEVELOPING COUNTRIES: THE UGANDA EXPERIENCE

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ABSTRACT

Increasing the effectiveness, efficiency and transparency of public procurement systems has become an ongoing concern of governments and of the international development community (OECD, 2006). Performance measurement is viewed as a warning, diagnosis and control system, that is used to keep track of economy (looking back), efficiency (current organizational process), effectiveness (output in the short term) and efficacy (output in the long term) (Teelken & Smeenk, 2003). In this paper we present results from a baseline survey of 15 Procuring and Disposing Entities (PDEs) on five key indicators for the Public procurement performance measurement system in Uganda. We present results on performance of procuring and disposing entities on procurement planning, procurement cycle management, records management, management of compliance issues and disposal planning

1. INTRODUCTION

Performance management has become a key element in modern public sector governance and many developing countries have introduced it as a means to measure organizational and individual efficiency in order to ensure that public sector organizations meet the needs of the public (Ohemeng, 2009). Increasing the effectiveness, efficiency and transparency of public procurement systems has become an ongoing concern of governments and of the international development community (OECD, 2006). Measuring performance is a graceful way of calling an organization to account (Bruijn (2007) and in public sector performance measurement, accountability is the central concern (Heinrich, 2007). Performance measurement is

viewed as a warning, diagnosis and control system, that is used to keep track of economy (looking back), efficiency (current organizational process), effectiveness (output in the short term) and efficacy (output in the long term; also called outcome) (Teelken and Smeenk, 2003).

Performance measurement; the process of quantifying the efficiency and effectiveness of actions (Neely, 2005) has received increasing interest since the late 1980s (Osborne & Gaebler, 1992; Saiz, Bas & Rodrı´guez, 2007). Efficiency can be measured from the purchasing organization's context where the personnel, management, procedures, policies, and information system issues are considered (Van Weele, 2000). Measuring performance of government draws a considerable amount of attention from professional associations, scholars and practitioners (Holzer & Kloby, 2005).

Traditionally, performance measurement has involved management accountants with budgetary control and the development of purely financial indicators such as return on investment (Chenhall, 1997). However, in today's work environment, there are increasing trends of relying on non–financial measures to assess the performance of organizations. Performance measurement has now gone beyond input and process into other sensitive areas. Politt and Bouckaert (2004) considered the shift of measurement systems beyond input and process into the more politically and methodologically sensitive area of assessing effectiveness as 'difficult and controversial'.

According to Kim, Chan & Yoon (1997), the traditional performance measurement system inhibits the improvement of critical dimensions such as quality, flexibility and delivery. For a performance measurement system to be regarded as a useful management process, it should act as a mechanism that enables assessment to be made, provides useful information and detects problems, allows judgment against certain predetermined criteria to be performed and more importantly, the systems should be reviewed and updated as an ongoing process (Ong & The, 2008).

The way in which performance measurement systems are used can differ widely depending on their application (Feurer & Chaharbaghi, 1995). Some performance measurement systems are used as a reporting mechanism while other systems are employed for controlling the performance of products, employees and other resources within an organization. Performance measurement systems can provide (quality) information to decision makers so that they can determine whether efforts are on course and help managers understand when their programs are succeeding or failing (Cook *et*

al.,1995).From this context, procurement performance measurement systems are intended for reporting the progress of procurement in government departments.

Theoretically, performance measurement can be constructed from an organization theory perspective. A notable scholar who thinks this way is Beryl Radin (2006). Writing on the theoretical perspective of what she described as the performance measurement movement, she argued that a 'significant part of the performance measurement movement lies within that element of organization theory that searches for a science of organizations' (2006: 50). The public sector scorecard suggested by Moullin (2004) measures an organization's performance on five perspectives: (1) The achievement of its strategic objectives, (2) Service user/stakeholder satisfaction, (3) Organizational excellence; (4) Financial targets and (5) Innovation and learning. To effectively achieve these, the author proposes eight essentials of Performance Measurement that include:

- Use a balanced set of measures
- Make sure you measure what matters to service users and other stakeholders
- Involve staff in determining the measures
- Include both perception measures and performance indicators
- Use a combination of outcome and process measures
- Take account of the cost of measuring performance
- Have clear systems for translating feedback from measures into a strategy for action
- Measurement systems need to be focused on continuous improvement, not a blame culture

These key features received carefully attention during the design of the procurement performance measurement system. Our indicators measured the inputs (resources), procedures and outputs and the resulting results from an organisational context and these were considered beneficial to different stakeholders. The PPMS survey had measures of performance of procurement based on all these indicators of cost, customer responsiveness measures like the complaints on the duration of the procurement cycle.

In government, there are a number of indicators, which are used to measure performance. Barnow (1992) identifies a range of performance measures, which are used in government programmes which include (1) Gross outcomes measures;(2) Net outputs-These are measures of the value added of the programme. and (3) Inputs and processes measures**.** According to Beamon(1999), supply chain

performance (including public procurement) can be measured based on cost measures, costs and activity measures, cost and customer responsiveness measures, customer responsiveness measures and flexibility.

From another context, Chan et al (2003) argued that there is still a lack of integration between the existing performance measurement methods and practical requirements for supply chain management. As a result, they proposed a performance measurement method that would provide assistance for performance improvement in SCM and the performance should cover such areas; which are of (1) critical concern for supply chain common goals and strategies; (2) inter-influence and common concern among supply chain partners; and (3) concern for both internal partners and external customers. The procurement performance measurement system, which was piloted, was designed taking into account its benefits to PPDA as a regulatory body, the MDAs and the Ministry of Finance, Planning and Economic Development as well as development partners. The central key area for the PPMS was the Procurement and Disposal Unit as supported by Kumar and Ozdamar(2005) who contends that the most important factor that determines the type of measurement for assessment of performance is the status of the purchasing department in the organization.

Two approaches to measuring and improving government performance are evident in the literature. First, there are those approaches that emphasize the purpose, techniques and utility of performance measurement as a tool for increasing productivity (Behn, 2003; Hatry 1999). The second approach provides an argument that citizen inclusion in measuring the performance of government adds value to the process and better informs policy decisions. Citizen participation in the formulation of socially relevant measures, data collection, and presentation of results helps managers and elected officials design and measure services that matter to a community (Callahan, 2004; Smith and Huntsman, 1997).

Table 1. Different Purposes of performance Measures

Purpose	Question	Primary use
Evaluate	How well is my public agency performing?	Compare data with desired results to judge performance
Control	How can I ensure that my subordinates are doing the right thing?	Establish desired behavioural or input standard from which to gauge individual or collective deviance

Budget	On what programs, people, or projects should my agency spend the public's money?	Define good, acceptable and poor levels of efficiency
Motivate	How can I motivate line staff, middle managers, non-profit and for-profit collaborators, stakeholders, and citizens to do the things necessary to improve performance?	Set reasonable and significant targets
Promote	How can I convince political superiors, legislators, stakeholders, journalists, and citizens that my agency is doing a good job?	Understand what the public cares about
Celebrate	What accomplishments are worthy of the important organizational ritual of celebrating success?	Discern the kinds of achievements that employees and collaborators think are worth celebrating
Learn	Why is what working or not working?	Be able to detect unexpected (and significant) developments and anticipate a wide variety of common organizational, human, and societal behaviours
Improve	What exactly should who do differently to improve performance?	Understand or be able to predict how management actions affect the inside-the-black-box behaviour of the people who contribute to desired outputs and outcomes

Behn, Robert D., (2003) "Why Measure Performance? Different Purposes Require Different Measures," in Public Administration Review, Vol. 63, No. 5, pp. 586-606

2. BACKGROUND

The Government of Uganda has since 1997 been implementing the reforms in the public procurement which culminated into the enactment of the Public Procurement and Disposal of Public Assets Act 2003, and regulations 2003. The Act established the Public procurement and Disposal of Public Assets Authority (PPDA) as the

procurement oversight body and decentralized procurement to the Ministries, Departments, Agencies (MDAs) and Local Governments. One of the main functions of the PPDA under section 7 (b) of the PPDA Act is to monitor and report on the performance of the public procurement and disposal systems in Uganda and advise on desirable changes and value for money.

PPDA has in the past implemented various measures towards monitoring the performance of public procurement using the tools of continuous procurement audits and investigations, and the compliance check assessment. The Uganda procurement system was also assessed in 2007 using the methodology for assessment of national procurement systems, a tool that was developed under the auspices of the joint World Bank and OECD Development Assistance Committee (DAC) round table initiative. The tool that was made up of Baseline Indicators and Compliance and Performance Indicators was intended to provide a common tool which developing countries and donors can use to assess the quality and effectiveness of national procurement systems. Although these measures of performance have helped to identify areas for capacity building in public procurement, the existing system had a number of drawbacks including the following:

(a) There were many indicators being measured under the various tools without focusing on a single monitoring system with only few critical and actionable indicators acceptable to all stakeholders.
(b) There was no baseline performance data to base any progressive assessment of the performance of the public procurement systems.
(c) The methodology for collection of data on these indicators was not accurate, verifiable or efficient and this led to incomplete or unreliable data as well as cost inefficient methods.
(d) The indicators were mainly focused on the performance of the public procurement system at the entity level and did not cover indicators on the performance of PPDA.
(e) The poor records management system in the PDEs had impacted heavily on the availability of the data required to be collected.
(f) The design of the then monitoring tools did not provide for PDE level involvement in data collection and self assessment which were critical for capacity building of the PDE staff

PPDA therefore spearheaded the development of results based procurement performance measurement system (PPMS) based on agreed key performance indicators that are actionable by the PDEs and PPDA and which can be aggregated across all types of PDEs irrespective of their type or public function. The Procurement

Performance Measurement System (PPMS) was anchored in the broader Public Financial Reform program and was to be pursued jointly between Government and the Joint Budget Support Framework (JBSF) partners as the basis for their Joint Performance Assessment Framework (JAF) review process. In order to have a sustainable institutional structure for the PPMS, the Authority established a 21 member cross-functional Task Force consisting of 6 PPDA staff and the Heads of Procurement and Disposal Units of the 15 Pilot PDEs. The criteria for selection of the Pilot PDEs was to ensure a mix of PDEs from the key sectors and large spending ministries (i.e. Health, Education, Water and Roads), one small ministry, two to three nearby and large Local Government PDEs as well as some State enterprises/corporations.

3. METHODOLOGY

3.1. Development of Key Performance Indicators (KPIs)

The key objectives of the public procurement reforms under the broader public financial management reforms were to promote efficiency, transparency and value for money in the public sector. It was therefore critical at the initial stages of the PPMS project to establish a performance based system to measure the outputs/results by setting targets and monitoring the progress of achievement by using relevant and measurable key performance indicators (KPIs). The indicators, were to provide regular and valid data on desired outcomes, provide data that could be aggregated across PDEs and sectors; and could thus guide national decision making,. The indicators were expected to be realistic and cost effective in light of the available resources. They were to allow easy verification of the information collected against them; and to be used internally by the PDEs to measure the performance of their procurement structures.
The following Key Performance Areas were measured under the system. The indicators were agreed on after wide consultations from different stakeholders in the public procurement sector:

Table. 2. Key performance areas and Indicators for the PPMS

Key Performance Area	No. of Indicators	No. of sub indicators
1. Procurement Planning	2	7
2. Procurement Cycle Management	5	13
3. Procurement Records	4	12
4. Procurement Management and compliance issues	3	8

5. Disposal Planning	1	2

3.2. ***Pilot Study***

The PPMS would be conducted initially on a pilot basis in order to test the data sources, data collection methodologies and means of reporting to determine what is workable before the full implementation of the PPMS. The criteria for selection of the PDEs that would pilot the PPMS was agreed upon to include Pilot Entities from the key sectors and the large spending ministries (i.e. Health, Education, Water and Roads) and one small ministry; Ministry of Information and Communications Technology (MICT). It was also agreed that two to three nearby and large Local Governments as well as some State enterprises/corporations and referral hospitals be included. It was further agreed that in order to have a manageable Pilot Phase the Entities should not exceed 15 in number.

Table 3: Total Contracts submitted by 15 Pilot PDEs for FY 2008/09

NAME OF PDE	Total No of Contracts in FY 08/09	% of Total Number	Total Value of Contracts in FY 08/09 in UGX	% of Total Value
1. Ministry of Health	389	3.5%	64,383,436,725	9.7%
2. Ministry of Water and Environment	413	3.6 %	33,197,169,795	5.0%
3. Ministry of Education and Sports	575	5.2%	77,528,499,417	11.7%
4. Uganda National Roads Authority	1,027	9.6%	238,104,803,096	36.0%
5. Ministry of Finance, Planning and Economic Development	638	6.0%	16,120,161,485	2.4%
6. Office of the Prime Minister	343	3.2%	25,096,984,911	3.8%
7. Uganda Prisons Service	674	6.3%	7,911,984,937	1.2%
8. Ministry of Information and Communication Technology	311	2.9%	1,890,865,268	0.3%

9. Jinja Regional Referral Hospital	188	1.8%	2,030,059,481	0.3%
10.Uganda Revenue Authority	597	5.3%	8,418,179,148	1.3%
11.National Water and Sewerage Corporation Ltd	2,640	24.6%	82,362,640,435	7.4%
12.Uganda Electricity Transmission Co Ltd	598	5.6%	97,326,680,986	14.7%
13.Kampala City Council	309	2.9%	26,419,173,342	4.0%
14.Mukono District	813	7.6%	3,750,475,677	0.6%
15.Makerere University	1,290	11.9%	10,672,574,182	1.6%
TOTAL	**10, 805**	**100%**	**695,213,688,885**	**100%**

3.3. Sampling Methodology

The base line year for the collection of the data on procurement contracts was agreed upon with the Pilot PDEs to be FY 2008/09. The consultants developed a standard form that the Pilot PDEs used to submit all macro[1] and micro procurement[2] contracts awarded and completed by the 15 Pilot Entities during the FY 08/09.

Table4. Sample sizes for macro procurement per entity

Entity	No of Macros	Value	Sample size	Value of sample	%
1. MOH	217	64,021,094,884	66	34,626,973,512	16.5%
2. MWE	156	8,680,344,668	**51**	5,810,649,524	**66.9%**
3. MOES	**225**	64,875,163,789	**71**	43,109,014,177	**66.5%**
4. UNRA	**143**	237,194,962,919	**46**	166,679,140,969	**70.3%**
5. MOFPED	**227**	15,647,054,981	**69**	10,024,887,365	**64.1%**
6. OPM	**190**	24,896,049,020	**57**	16,410,836,041	**69.9%**
7. UPS	**142**	7,440,284,139	**43**	4,351,405,609	**58.5%**

[1] Macro procurements are procurements above $ 1000 for MDAs and $ 500 for local governments

[2] Micro procurements are contracts below $ 1000 for MDAs and $ 500 for local governments.

8. MICT	**101**	1,636,365,621	**31**	914,531,745	**55.9%**
9. JRRH	**74**	1,906,360,479	**24**	1,383,796,647	**72.6%**
10.URA	**236**	5,406,399,988	**72**	2,675,439,590	**49.5%**
11.NWSC	**1,696**	62,388,060,440	**154**	34,073,089,202	**54.6%**
12.UETCL	**532**	8,489,676,049	**157**	4,327,048,248	**51.0%**
13.KCC	**186**	26,328,975,507	**59**	11,981,275,016	**45.5%**
14.MD	**407**	3,600,337,526	**121**	1,269,521,683	35.3%
15.MUK	**160**	4,685,602,041	**48**	2,726,560,469	58.2%

Table 3 indicates the population of procurements from the 15 PDEs from which the sample size for the baseline survey of the Procurement performance measurement system was determined. This was a technical survey that was to be conducted in a relatively short period of time .Of the total 10,805 procurements which were submitted by all the 15 PDEs as part of the inventory submissions, 1751(16.2%) of these were agreed by the technical planning committee as an appropriate sample size for the baseline survey. The population was grouped into procurements for works, services and supplies. They were also stratified according to the volume of procurements namely micro and macro procurements. The sample was also disaggregated according to the methods of procurements. The sampling was also based on the actual values of the procurements done by entities. Regarding sampling by type of procurement, goods (supplies) represented the largest category (a disproportionate 56.9% and works represented only 7.3% and the remaining 35.8% was for services.

In terms of value however, procurements, which were in the works category, had the biggest percentage and it was decided therefore that the sample size would focus on the larger procurements in money value. The sampling strategy was therefore selected 'meandering' between pure (stratified) proportional statistical sampling and actual sample determination meeting the practical requirements of the survey, emanating from the sampling criteria themselves but also from capacity building requirements of our participating sample PDEs.

3.4. Administration of the survey

The survey process was conducted through a systematic process that involved a number of stakeholders. Overall, the administration of the survey involved discussions with the key stakeholders and a visit to each MDA by a team of officials from PPDA. Validity and reliability of the data was ensured through both internal systems of the MDAs and at the PPDA level. Internally, for each entity, two forms were to be filled namely one form covering the whole entity and individual forms for each of the procurements sampled per entity as presented in

table 4. Once information on the forms was filled in by PDU, the files were submitted to the internal audit department of the PDE for verification of the accuracy of the data. The files were then submitted to the Accounting Officer (Chief Executive) for final verification and signing. At PPDA level, the submitted forms of each pilot PDE were subjected to verification based on the quarterly and monthly reports of procurement[3].

3.5. Analyzing the survey Data

Data analysis was done progressively after a clear coding structure was designed. The returned survey instruments were cross-checked at PPDA level to check for their completeness.. The data was entered using Statistical Package for Social Scientists (SPSS) software using a team of assistants. The entered data was then cleaned for errors in entry. The actual analysis of the data relied on descriptive statistics (frequencies, percentages, means, and standard deviation) as well as cross tabulations to establish the relationships among performance indicators. The background results such as the type of procurement, the methods of procurement, the financing modalities were cross tabulated with different performance indicators to have a comprehensive analysis of the results**.**

4. FINDINGS OF THE STUDY

4.1. Baseline Information on Sampled Contracts

This section presents the findings of the baseline survey that was based on 1,518 sampled procurement contracts in the 15 pilot PDEs. An overview of the baseline information on the sampled contracts is first presented and thereafter the results on the key performance areas, key performance indicators and sub indicators.

The sampled procurements were from the category of works, services and supplies. The highest sample of 789(52%) were from Goods (supplies) compared to 463(30.5%) procurements which were services and 266(17.5%) which were from works category. The monetary values of these samples however differed greatly.With regard to the value of the different types of procurement of the total sample value, of UGX 402,831,629,668, the highest value was under the works category with UGX 245,019,001,876, (61%) followed by Goods with UGX 80,806,452,049 (20%) and then Services with UGX 77,006,175,743 (19%).

This implies that most entities were spending more on procurement of works. The focus on efficiency in works procurements in Uganda was of significant implications on the delivery of public services and

[3] The procurement Law requires all MDAs to submit a monthly report of all procurement transactions they engage in. The Local governments are required to make this report every quarter.

poverty reduction strategies in the country. The monetary expenditures were achieved through application of different procurement methods. The sampled procurements in this baseline survey revealed that 40% of the procurements were done through micro-procurement and non of the procurements was done using selective international bidding method.

The analysis showed that 87% of the sampled contracts were under Open Bidding method of procurement. The wide spread use of micro procurement method could suggest the culture of disaggregated procurements as a deliberate strategy to seek approval of the procurements through the contracts committee. This works against the principle of transparency. The increased use of restricted domestic bidding could also justify lack of strong application of transparency procedures. Open domestic bidding ranked lowest among the methods of procurement that were applied for the sampled procurements and yet it is the most preferred method of public procurement.

4.2. Findings on Key Performance Indicators

Procurement Planning

In Uganda, procurement and disposal planning are central to proper procurement management. Public Procurement and Disposal OF Public Assets (PPDA) Regulation 96(1) provides that a user department shall prepare a multi-annual, rolling work plan for procurement based on the approved budget, which shall be submitted to the Procurement and disposal unit to facilitate orderly execution of annual procurement activities. Information on these indicators was obtained from the existing records in the authority as well as submissions made by the different entities for the baseline survey. The baseline survey examined the extent to which entities were (1)integrating procurement planning with approved annual budget and work plans and (2) whether there was a variance between the procurement plan and what was being actually procured by the pilot PDEs .

A review of the PPDA records revealed that of the 15 pilot Entities under this survey, 60 % had submitted their procurement plans for the year under review and the remaining 40% had not done so. While this performance has significantly improved compared to previous years, there was need for further improvement. The pilot PDEs were required to assess whether the sampled procurements had been included in their respective approved annual budgets. This indicator is critical since previous compliance and audit findings of PPDA had revealed that most procurement in entities was being implemented outside the approved annual budget**.** The findings on this sub

indicator revealed that of the total sampled procurements, 92% had been implemented within the approved annual budgets compared to only 8% procurements which had not. Our assessment revealed that in terms of value, 77% of procurement expenditure was planned and integrated in the approved budget while 7% was not integrated in the budget. There was no information for 16% of the expenditure on procurement.

The 15 Pilot PDEs were required to assess whether the macro-procurements that had been done during the base year of our study were implemented in accordance to the planned money value. The results revealed that 65% of the procurements submitted in the accordance with the sample had been implemented in accordance to the planned money value, compared to 35% that were not implemented in accordance with the planned money value.

Table 6. Self assessment scores on Procurement planning key performance indicators

Item	M	SD
1. Is the procurement being integrated in the PDE annual work plan	3.76	1.24
2. Is the procurement being integrated in the PDE annual budget	4.02	1.05
3. Is the macro procurement implemented according to planned money values	3.82	1.39
4. Is there a variance between estimated and actual value of the procurement	3.88	1.27

According to the above table, overall the entities in the pilot study highly rated the integration of the procurement plan into their annual budget with a mean score of 4.02 based on the 5-likert scale used for this assessment. This suggests that the pilot entities believed they had done well on integrating the procurements covered under the survey into their annual budgets, which would promote effectiveness and efficiency procurements. However, the assessment found that there had been limited integration of the procurement plans and work plans for the procurement categories that were assessed during the baseline survey (M=3.76). The assessment by pilot entities is supported by previous PPDA compliance checks and audit reports. There have been numerous challenges pertaining to the integration of procurements with annual work plans. That is why; the country's budgeting framework has been restructured to systematically link the budget, the procurement plans and the work plans (revenue work plan and expenditure work plans).

On Application of Procurement Methods

Regulations 106(1-5) of the Public Procurement and Disposal Regulations of 2003 provides the conditions for the use of the different methods of procurement and entities are required to abide by these conditions or seek a special deviation from PPDA on submission of a request justifying the waiver. An analysis by number of procurement contracts revealed that 92% of contracts had followed the methods prescribed by law. An analysis by value of procurement contracts revealed that 97.7 % of procurement spend applied the methods as they are prescribed by Law, 2 % of spend did not use the correct procurement methods while there was no information on 0.3%

Time taken to complete the procurement cycle

Procurement takes place through a number of stages and requires time. The three (3) key time frames include (1) the start of the procurement - the date when Accounting Officer approves of the requisition form ;(2) the commitment of funds – the date when the Accounting Officer signs the contract document/LPO; and (3) the end of the procurement cycle – this is the final date of delivery completion. The findings of the survey on the timeframes were as follows-

Time Frame between Approval of Procurement Process and Signing of Contract Award

The optimum time frames indicate that a procurement using Open International bidding and Open domestic bidding would take about 180 and 121-157 calendar days respectively. The findings from the sampled procurement revealed an average variance of negative 26 and negative 10 calendar days which is quite significant. However, the variance was less for restricted international and restricted domestic bidding ranging from 2 to 10 calendar days. It can therefore be concluded that for the more competitive methods of procurement, the variance between the indicative timeframes and actual periods is high. This affects the timely delivery of services.

Compliance with evaluation methodology and criteria

The results of the survey show that for most contracts (60%), the evaluation method applied was compliant to that prescribed by procurement Law. The non-compliance rate of 40% is however very high if the principle of fairness and transparency in public procurement is to be achieved. During the baseline survey for the performance measurement system, it was assessed whether contract payments were made within the prescribed contract period. Of the sampled procurements, 57.9% of the procurements had a time variance against the contractual payment period as compared to

42.1% of the procurements that did not have a time variance. This confirms the earlier findings that indicated that most entities did not have the actual information on contract payments. This reflects a major weakness in the performance of the record keeping system in the PDEs. Once contracts have been placed, they have to be managed and one of the key areas is to ensure that before payments are effected, the user departments confirm that the actual procurements have met the user requirements.

Scores on procurement cycle management

On the procurement cycle, the overall self-assessment by the entities surveyed revealed that there were areas where the pilot PDEs believed the sampled procurements had a good indicator of performance. The most important areas where the pilot PDEs rated themselves as highly satisfactory were(1) on applying the procurement methods applied by law;(2) on being compliant on seeking deviation from PPDA;(3) On paying contractors within the contractual period, and (4) on having maintained a record of the best evaluated bidder's notice. From the findings of PPDA compliance and audit reports on these self assessment scores, there was lack of honesty by a number of PDEs on how well they were performing on a number of performance indicator

Procurement Records Management

During the 2009 baseline survey for the procurement performance measurement system, entities were assessed on their performance on ten critical documents. Under this key performance area, the main indicator measured was the completeness of procurement records in a procurement transaction measured against a checklist of the following 10 documents. These documents include (a) Request to initiate procurement proceedings; (b) Copy of the published advertisement or approved shortlist; (c) Copy of the solicitation documents and any amendments or clarifications; (d) Record of bid receipt and bid openings; (e) Copy of all bids received; (f) The Evaluation report; (g) Copy of Contracts Committee Award decision (h) Copy of the notice of Best Evaluated Bidder (i) Copy of the contract document and contract amendments / variations/change orders; and (j) Copies of contract management documents i.e. documentary evidence of all payments made under the contract and documentary evidence of execution of contract e.g delivery documents for supplies or completion certificates for services or works.

The findings revealed poor performance on record keeping. The key records that were missing in most of the procurement files were the following-

- Record of bid receipt and bid opening -only 49% were compliant;
- Approved Evaluation Report – only 52% were compliant;
- Record of Contracts Committee award decision – only 48% were compliant;
- Record of the contract document – only 43% were compliant; and
- Record of Contract Implementation Plan- only 32% were compliant.

Disposal Planning

Under this key performance area, the following indicator that was to be measured was the existence and implementation of a Disposal Plan. Under the baseline survey, it was found that 27% of the PDEs had disposal plans compared to 73%, which did not have disposal plans. Of the PDEs that had disposal plans, only 57% had disposed of the items in accordance with the plan.

5. CONCLUSIONS AND IMPLICATIONS

This paper highlights the performance of the public procurement system in Uganda. The results from the baseline study indicate the strong and weak areas of performance in terms of procurement planning, evaluation of bids, records management, contract management, and Disposal process Management. The results indicated that in most pilot entities, procurement planning was integrated in the annual entity budgets as part of the legal requirement. This is a good development for the public procurement system in Uganda since procurement planning is a critical component for the realisation of public procurement objectives. The survey confirmed that there were improvements in following the prescribed methods of evaluation during the procurement process. However, the entities still had challenges in managing contracts and records. Procurement records are critical in promoting the principles of transparency and accountability and weaknesses in this area has implications for the efficiency and effectiveness of the public procurement system.

The paper provides useful information that is critical for management and policy decision making. To the managers of the process, the study has identified areas of weakness, which need urgent attention. To policy makers, such areas of weakness need to be improved through adoption of specifically designed policies targeted at improving those areas. Efforts should also be made to continuously improve those areas of procurement process management where the study found improvements.

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