

An Investigation on the Implementation of Procurement Planning in the Public Sector: A Case Study of the Ministry of Lands and Natural Resources

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ABSTRACT

In most emerging economies, the public sector procurement system has been identified as positively influencing the management of public resources. Many Governments have embarked on reforms in their procurement systems to streamline and harmonize legal and institutional framework. In Zambia, the Government has put in place provisions to ensure realization of its long-term objective of improving the quality of life of its citizens. Substantial resources have been committed towards improving service delivery in areas such as infrastructure development and maintenance, rural development, human development and governance, among others. The implementation of these interventions would be incomplete without proper implementation of procurement planning. This study investigated the implementation of procurement planning on public sector efficiency, the Ministry of Lands and Natural Resources being the case in point.

This study employed a mixed research design. Thus, both qualitative and quantitative data collection methods were used. The study found that on a broad perspective, implementation of procurement planning in the Ministry of Lands and Natural Resources was affected by different factors such as: management support, ICT tools, budget procedures, procedures/process (bureaucracy) and staff competence. The study inferred that there was a positive relation between management support; ICT tools; Budget procedures and procurement planning implementation. Interestingly, the results further indicated that top management support had been a major contributor towards implementation of procurement planning. These results collaborate with the findings of Nyumu (2010) who argues that when implementing a procurement plan, top management commitment and support are an undoubtedly a prerequisite for the implementation of procurement planning. In addition, from the research results, a unit increase in the factors found to be affecting the implementation of procurement planning, would lead to an increase in the procurement planning implementation.

Keywords: Procurement, Planning, Public Sector Ministry Of Lands.

Introduction

Procurement planning is the process of identifying and consolidating requirements and determining the time frames for their procurement with the aim of having them as and when they are required. Procurement

as defined by the Public Procurement Act number 12 of 2020 is; “Acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise or any combination.”

In most emerging economies, the public sector procurement system has been identified as positively influencing the management of public resources. Over the past decades, public procurement has gained much attention amongst developing countries. Procurement budgets in developing countries account for about 20 per cent of Government expenditure globally (Mlinga, 2009), many Governments have embarked on reforms in their procurement systems to streamline and harmonize legal and institutional framework. According to Basheka (2008) a good procurement plan brings some sanity in the budgetary allocations and prudent financial management. However, in Zambia, there is a conspicuous gap in procurement planning.

The Economic Commission of Africa (2003) defines procurement planning as the purchasing function through which organization obtain products and services from external suppliers. Basheka (2008) states that procurement planning is the primary function that sets the stage for subsequent procurement activities. A mistake in procurement planning has wide implications for institutional governance, measured from the two indicators of accountability and participation. Interestingly, James (2004) postulates that the ideals of planning suggest that procurement planning can be implemented in an atmosphere of complete harmony. He adds that, as a function, procurement planning endeavors to answer the questions of what do you want to procure; when to procure it; when the resources be available; the methods of procurement to be used; how timely procurement or failure will affect the user of the item(s); the procuring and disposing entity; efficiency in the procurement process; and the people to be involved in the procurement.

From the perspective of Bailey (2000), procurement must take a thoroughly professional view of its role in business as a whole and that must include planning. Any procurement begins with the planning decision to make the purchase and this will involve in the first place, deciding whether there is a need for the particular goods or services, ensuring that the purchaser has the legal powers to undertake the transaction, obtaining any relevant approvals within the Government hierarchy and arranging the necessary funding. In Zambia, the Government has put in place provisions to ensure realization of its long-term objective of improving the quality of life of its citizens. Substantial resources have been committed towards improving service delivery in areas such as infrastructure development and maintenance, rural development, human development and governance, among others. The implementation of these interventions would be incomplete without proper implementation of procurement planning. Notably, efficient and effective implementation of procurement plans in public institutions depends on various factors such as procurement process and procedure, enough budget, qualified procurement staff, good cooperation with user departments, management action, and efficiency of management on decision making. However, it is again not surprising that many procurement entities at both the central and local Government levels have not taken planning as a serious activity. This study investigated the implementation of procurement planning on public sector efficiency, the Ministry of Lands and Natural Resources being the case in point.

Statement of the Problem

According to Russell (2004), professionalism in public procurement relates not only to the levels of education and qualifications of the workforce but also to the professional approach in the conduct of business activities. If the workforce is not adequately educated in procurement matters, serious consequences including; breaches of codes of conduct may occur.

While there has been developments in regulatory framework, there are still challenges to be addressed in order to realize full benefits of procurement planning in Zambia. Some of the notable challenges include; failure to adhere to the public procurement planning regulatory framework in the ministry including institutional and professional capacity challenges, political interference with implementation of regulations and the low level of implementation of Information Communication (ICT) tools. The environment in which procurement planning is conducted in most cases is not supported by some of the important systems such as ICT tools. Notably, in Zambia, procurement planning is a fundamental function that impacts on effective or ineffective service delivery. There is no part of Government service delivery that does not depend on procurement planning; and yet the area remains a neglected field of research.

purpose of the study

Due to the diversity of the factors affecting procurement planning, this study focused only on factors that were general that was; management support, staff competence, Information Communication Technology (ICT) tools, and budgeting procedures, political interference as factors affecting the implementation of procurement planning in the Ministry of Lands and Natural Resources. Furthermore, this study was only conducted in Lusaka. A time frame of five (06) years was considered (2012 – 2018s).

Research Objectives

Based on the problem as above, the research objectives of this study are as follows;

1. To determine the factors affecting the implementation of procurement planning in the Ministry of Lands and Natural Resources
2. To identify the procedure/process used in preparing a procurement plan in the Ministry of Lands and Natural Resources.
3. To assess the effect of staff competence on procurement planning implementation in the Ministry of Lands and Natural Resources
4. To make use of the determined and assessed outcome and deduce a working procedure of how procurement planning should be carry out i.e. A standard operating procedure for implementation of the procurement plans by the Entities

Research questions

1. What are the factors affecting the implementation of procurement planning in the Ministry of Lands and Natural Resources?
2. What is the procedure/process used in preparing a procurement plan in the Ministry of Lands and Natural Resources?
3. What are the effects of staff competence on procurement planning implementation in the Ministry of Lands and Natural Resources?
4. How should procurement plans be implemented to achieve the utmost efficiency in the procurement process

Significance of the Study

The findings of the study will greatly aid policy makers, the community and the country at large. Other public institutions that are into procurement, having access to the research document, will benefit by

utilizing the operating procedure of the procurement planning implementation by both the public and private sectors, including recommended best practices that were established in the study.

This study is timely and in accordance with national priority. The Government is losing colossal sums of money in trying to meet these cost overruns. This research will not only fill a gap in the procurement literature, but it will also suggest a list of realistic ideas that can be used to improve the procurement performance of the public sector. In addition, this study will contribute to procurement activities and strengthen the act of obtaining goods and services in the public sectors of Zambia and also promote transparency and accountability which are important components in the procurement practices. Further, the study will contribute to the body of knowledge in the area of research in Zambia.

Theoretical framework

The study applied two theories and these are social constructivism and Goal theory. With regards to social constructivism theory, learning and thinking is influenced and fashioned within social and cultural context. It indicates that knowledge is collaborative and situated ^[28]. The goal theory explains the meaning that pupils attach to their academic achievement and purpose for action. It further explains that students are likely to perform better if they are aware and understand the issues that influence their academic performance (Sibanda et al., 2015; Senko, C. 2016).

Delimitation

The catchment areas for the study were those stated only distract. The respondents were drawn from government and private land ownership. Furthermore, the study also drew respondents from different regions from the district due to transport constraints.

Limitation of the study

Some participants were less willing to take part in the study leading to the reduction in the number of participants. In addition, it was difficult to have audience with some respondents due to the tight schedule but the researcher was able to adjust to suit their times. This meant that more time was spent on data collection than planned.

literature Review

Introduction

The Chapter gives an outlook on issues surrounding procurement planning. according to Niggli, N.C (2015), It also highlights an overview on the factors affecting the implementation of procurement plans; it looks at the concepts of procurement planning. It also reviews work that has been done by other scholars globally and regionally.

2.1 Overview

According to Agaba and Shipman (2007), procurement planning is the process used by companies or public institutions to plan purchasing activity for a specific period of time. This is commonly completed during the budgeting process. Each year, departments are required to budget for staff, expenses, and purchases. This is the first step in the procurement planning process.

Burt et al(2004), further defines procurement planning as the purchasing function through which organization obtain products and services from external suppliers. A good procurement plan will go one

step further by describing the process you will go through to appoint those suppliers contractually. Whether you are embarking on a project procurement or organizational procurement planning exercise, the steps will be the same. First, define the items you need to procure. Next, define the process for acquiring those items. And finally, schedule the timeframes for delivery.

2.2 Procurement Process in the Public Sector

Procurement encompasses the full course of obtaining assets and/or services. It starts when an institution has acknowledged a necessity and decided on processes to obtain it. The process of obtaining things in the public sector continues with assessment of risk, looking for and evaluating other solutions, giving out the contract, paying for it and supply of the assets and/or services and, if needed, a continual management of the contract and reflections on alternatives related to the contract. Procurement spreads to the ultimate discarding of property when the use for it ceases (Waters, 2004).

For the act of procurement in the public sector to be effective and efficient, the right goods and services in the appropriate proportions should be available when they are needed, and at realistic costs for the appropriate consumers in familiar ideals for quality (WHO, 2007).

Among the important elements of good governance is the performance of Public sector procurement policies (KIPPR, 2006). According to Otieno (2004), irregularities in the activities of procurement in public institutions make way for the misappropriation of state resources. Interestingly, Thai (2001), recognizes that, central to the ethics of decent procurement practice is accountability, and the institution of operative mechanisms in order to ensure that, procurement agencies optimally use resources, with the knowledge that they are answerable to the populace. Central to competitive supply is competition during public procurements, except in cases where there are good motives for sole sourcing and dependability, which demands even treatment to competitors irrespective of they come from or their political affiliations. The processes of procurement in the public sector involves public sector supply chains and networking at so many levels. This may be assessed at the national levels, district levels and local authority levels. The variation in these levels is determined by the value of the need, its volume and the goods and services obtained per year (Ellinger Keller & Hansen, 2006). Further, to this is the fact that procurements in the public sector focus different areas. This however is sector dependent and are all regularized and managed by a single entity. As Ochieng and Muehle put it, the public procurement system in Zambia has advanced from a rough structure with no protocols to a methodical and lawfully controlled procurement system (Ochieng and Muehle, 2012).

Zambia Public Procurement Authority (ZPPA) is an overseer of Public Procurement Law in Zambia. ZPPA is an Independent statutory regulatory body established by the Public Procurement Act (PPA) No. 12 of 2008 of the Laws of Zambia and is responsible for policy, regulation, standard setting, compliance and performance monitoring including professional development.

Formulation and development of Procurement Plans is not just a good practice that must be embraced by all procuring entities (PEs) but is a legal requirement. Section 42(1) of the Public Procurement Act No. 12 of 2008 mandates each PE to plan its procurements in a rational manner, in particular, the Act states that a procuring entity shall;

- a. Aggregate its requirements wherever possible, both within the procuring entity and between procuring entities, to obtain value for money and reduce procurement costs;

- b. Make use of rate or running contracts wherever appropriate to provide an efficient, cost effective and flexible means to procure goods , works and services that are required continuously or repeatedly over a period of time;
- c. Avoid splitting of procurements to defeat the use of appropriate procurement methods; and
- d. Integrate its expenditure programs with the procurement Plan

Annual Planning should be integrated with applicable budget processes and based on indicative or approved budgets. Procurement entities should revise and update their procurement plans as appropriate, during the course of each year, ZPPA (2008)

2.3 Factors Affecting Implementation of Procurement Plan

2.3.1 Human Resources Capabilities

The people working in the PMU are the key to achieving effective implementation of the plans. Staffing competent employees involves recruiting, training and retaining a capable and adaptable workforce. Knowledgeable, dependable and versatile employees have the ability to overcome the obstacles to change, and can meet performance goals even when other resources are scarce. If all of the other elements are present, but the workforce does not meet these criteria, then achieving the objectives may be nearly impossible (Ingram, 2012).

Procurement staff will need training, particularly in how to resolve dilemmas and competing priorities. Useful monitoring and due diligence tools include supplier engagement forums and supplier questionnaires during tendering and at other stages of the relationship such as contract renewal. Public officials should not accept benefits of any kind from a third party which might reasonably be seen to compromise their personal judgment or integrity.

According to Thomson & Jackson, (2007), the actions of public officials must be above suspicion and their dealings with commercial and other interests should bear the closest possible scrutiny. It is not possible to give guidelines for every conceivable situation that may arise but if a doubt arises about a particular situation line management should be consulted. There are various empirical evidences on procurement planning such as, Wogube (2011), on procurement planning and service delivery in Public Enterprises, Nyumu (2010) on budget allocation for Cooperative societies, and Owalla (2012) management of devolved procurement funds.

Uromi (2014) A study on the Challenges confronting Public Procurement Information in Zimbabwe, South Africa, Uganda, and Tanzania found as one the of the challenges to public procurement sectors in the developing countries, lack of public information about the gains of public procurement, the laws, guidelines, regulations, procedures and governing instruments. There also exist lack of awareness among stakeholders, public procurement markets and complaints review mechanisms (Uromi, 2014).

Manyara, (2006) in his study, “Assessment of Annual Procurement Planning” concluded that, procurement plan in public procurement is still having a problem of implementation due to the facts that many procurement in public are conducted without following the procurement plan as the result there are improper procurement which ends in the poor financial management.

Preparation of procurement plan is very important to many organizations and it needs close cooperation between PMU, user departments and management in general as it acts as a road map to procurement of the organization which later assures the availability of goods and services for continuous operations hence achieve the targeted goals (Lema, 2009). However the study did not pin point the kind of relationship and

the specific areas of cooperation. Therefore in this study it will describe areas of cooperation and kind of such relationship.

Within Africa, public procurement system is the song of everyday. Most African countries spend a lot of public moneys through procurement transactions. These include own funds from taxpayers and donor funds which are allocated for development projects in Africa. Empirical studies from Ghana on effects of Public Procurement Act (663) on public financial management performance, revealed that the preparation of procurement plan takes longtime thus causing delays in procurement process. Moreover, the study revealed that, long time evaluation of tenders, payment to contractors or suppliers, and cumbersome procedures in procurement were among causes of delay in procurement process (Sarfo, 2011).

Again, studies on procurement planning and local governance in Uganda revealed that procurement planning has paramount importance in facilitating the governance process in local Government s and critical stages of procurement planning are essential for ensuring accountability. Also, it can be noted that, cooperation between Accounts or Finance department, PMU and other user departments is an essential key factor for proper preparation of procurement plan (Basheka, 2008). Another study from Kenya by Patrick et al (2010) procurement practices among Secondary Schools in Mosocho Division of Kisii County in Kenya revealed that regulations have had a significancy influence on procuring of goods, lead time while the same regulations has less significant influence on transparency of the procurement process and quality of goods procured.

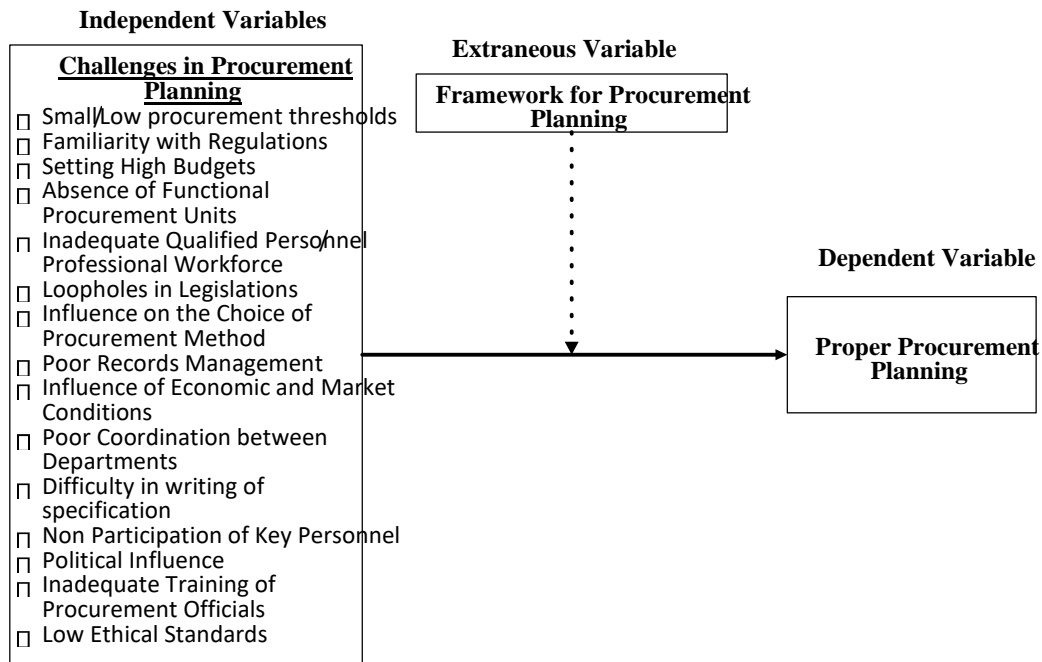
Since the introduction of public procurement reforms in Tanzania and the enactment of PPA in 2001, many studies have been conducted relating to public procurement system. Some studies focused on the procurement planning and value for money challenges in the public procurement which forms part of effective public procurement process. The studies reveal that procurement planning is a key tool for achieveing efficient procurement process in order the procuring entities to meet its envisaged goals (Haraba, 2008).

Research Design

To ensure the attainability of the research objectives, quantitative research design was used. The researcher also picked on descriptive because the purpose of this research is to produces an accurate representation of the events and after obtaining the required data and the above-mentioned research design were used to evaluate strategies used.

Conceptual Framework

Conceptual Framework A conceptual framework is defined as a presentation in graphical form of the relationship between the identified variables in a study (Barasa, 2014). It presents a graphic picture or visual depiction of the key variables of the study (Apiyo and Mburu, 2014). According to Saunders et al. (2009) a dependent variable is changed by reason of changes in other variables and an independent variable is that which causes a change in a dependent variable. Extraneous variables are independent variables that are not directly related to the purpose of the study, but may have an impact on the dependent variable (Kothari, 2004). In the context of this study the independent variables are challenges facing procurement planning; independent variable is proper procurement planning whereas extraneous variable is the framework for procurement planning. Figure 1 below illustrates the conceptual framework used for this study



The Procurement Cycle

Tan (2013) categorizes the public procurement process into six phases, namely; (a) procurement planning (b) solicitation planning (c) solicitation, (d) source selection (e) contract administration and (f) contract closeout. These processes when followed serves as a ground for an effective and economical manner by which acquisitions can be made (Tan, 2013). Figure 2 below is the traditional procurement process.

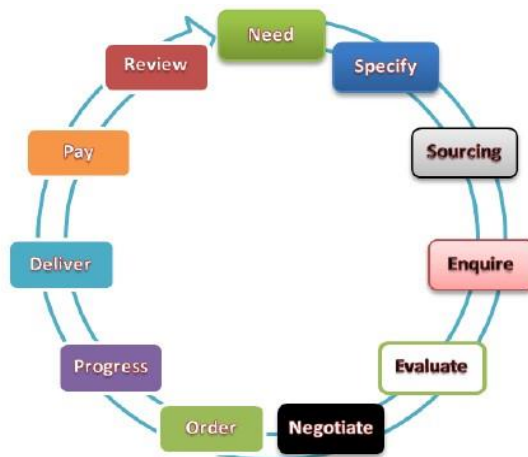


Figure 2: Procurement Process Model

Source: Kusi *et al.* (2014)

Target Population

The target population for this study consisted the DEBS, DRCC, Head teachers, Teachers and Pupils themselves who were randomly selected from various schools in Mikomfwa Zone of Luanshya District. Population basically consists of the specific group with common characteristics to whom the researcher plans to generalise the findings.

Sample Size

In order to calculate the sample size, the research used the Taro Yamene formula as indicated by Olonite [18]. From the estimated population of 6000 officials and pupils from schools in Mikomfwa Zone. The expected response from the sample size of at least 60%. The sample size was calculated using the Taro Yamene formula as highlighted below;

$$n = \frac{N}{1+N(e)^2}$$

$$n = \frac{6000}{1+6000(0.05)^2}$$

$$\underline{n = 375}$$

Where;

‘e’= is the desired level of precision and that is the margin of error.

‘n’= sample size drawn from the estimated population.

‘N’= is estimated population size

A total number of 375 questionnaires were randomly administered. This was considered reasonable sample size from which relationships were established after analysis using SPSS.

The dependent variable in this research is concrete objects and it was measured against the teaching of mathematics at lower grade levels.

Sampling Procedure

The researcher basically engaged two techniques methods in this study that is the simple random sampling and purposive procedures. In this study, a simple random sampling was used to draw the target groups to complete questionnaires.

However, at the sampled learning institutions, a snowball and purposive sampling procedure were used. The respondents at management level in school assisted the researcher to identify other respondents who provided rich experienced and professional information about the use of concrete objects in teaching mathematics at lower grade level it is clear that purposive sampling is based on the researcher’s judgment that a sample is composed of elements that contain the most characteristics representative or typical of the population. This sampling procedure guided the researcher to dwell only on those represented respondents as well as respondent with relevant information for the study respectively.

Research instruments

Questionnaire and semi-structured interviews guided were the main research instruments for data collection. Permission was obtained from the school managers before commencement of data collection and the purpose of the study was explained to the participants. Questionnaires were then administered to the participants to investigate the effects of using concrete objects when teaching mathematics at lower grade levels in Mikomfwa zone Luanshya District. Semi-structured interviews were also administered in order to obtain rich information. Additionally, the research conducted in-depth face interviews with respondents in various schools. These interviews were based on a schedule with predominantly open-ended and some closed-ended questions tailored to elicit for rich information concerning the use of concrete objects in teaching mathematics at lower grade level.

Data collection procedures

The data collection exercise was conducted on the use of concrete objects in teaching mathematics at lower levels. The researcher used a questionnaire and conducted face to face in-depth interviews with some respondents. Personal interviews were also conducted with the target groups being the members of staff and parents to pupils, the DEBS, DRCC and Head teachers in various schools in Mikomfwa Zone in Luanshya District. This method of data collection is preferred because the information collected is more liable as it is first-hand information and convenient method to use.

Conclusion And Recommendation

In conclusion, the study a framework for procurement planning in public procurement entities in Zambia establishes that there is a current procurement planning practice in metropolitan assemblies by which an annual procurement plan is developed for every financial year. The current planning practice, even though it is comprehensive in developing a procurement plan, still falls short of certain key areas of the planning process. Sustainable procurement planning and risk planning are areas of the planning process that require urgent attention considering the trend of modern procurement system. In addition, heads of departments, units, projects and programs do not oversee the preparation of procurement plans for their subordinate areas of control.

The study concludes that, there are challenges inherent in the procurement planning process the limit the successful achievement of procurement planning objectives. These challenges can be further broken down into organizational, political, professional, legislative and economic and market challenges.

Through the various chapters a number of challenges were identified in the procurement planning process as well as the current procurement planning practices. It is therefore hoped that an addition to strategies, policies and practices that can be undertaken in procurement planning would contribute to the attainment of procurement general objective of value for money.

5.6 Recommendations

Public procurement generally is far from achieving its set objectives as a result of poor planning and in other cases no planning. The effect of these are seen in high cost of procurement and overspending of budgetary allocations. Having identified the current planning practices in PEs and the identified challenges and their causes and subsequently a proposed framework for procurement planning the goals of procurement would be achieved in procurement processes. Based on the findings generated from this study, the following recommendations are proposed:

1. The time frames set out in the manual for the procurement process should be reviewed to include adequate time for further sustainability research, sustainability requirement development and risk planning.
2. A government policy on sustainable public procurement to guide procurement should be developed.
3. Procurement planning should be conducted by a team, and this can be constituted or set up for every financial year, taking into consideration the procurement needs that will be procured in the next financial year. This will help know the special personnel that will be needed to be brought on board to put in their inputs for every financial year.
4. The manual's requirements on procurement planning should be more explicit and detailed on the processes and personnel who should be involved in the planning process.

5. More training programs in sustainable procurement planning should be organized for procurement officials.
6. Considering the skill level and capacity issues, its recommended that the planning process begin earlier than stipulated in the law, preferably should be in line with the planning season of the entity.
7. Training programs should be organized in risk management for procurement officials in order to get them equipped with the necessary basics on risk associated to the procurement process.
8. A redesign of tender documents to include sustainable procurement planning.
9. There should be a review of thresholds in Act 663 upwards to avoid breaking of bulk procurements.