

Assessment of the Stakeholders' Compliance with Public Procurement Act of 2011 and It's Regulations. A Case of Longido District Council

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Definition of Key Terms

Procurement

Procurement includes all activities required in order to obtain the product from the supplier and get it to the place where it is actually needed. It encompasses the purchasing function, stores, traffic and transportation, incoming inspection and quality control and assurance (Farmer and Weele, 2000). Procurement, according to Wind and Thomas (2001), is as old as organizations but it has evolved over time. It developed from the need of organizations to acquire those goods and services that they could not produce but needed in their operations. Initially, the focus of contracting was typically on minimizing costs to the procurement entity rather than on delivering specific service quality outcomes. With time procurement has evolved to include new aspects like strategic sourcing, e-procurement and performance based service contracting. In seeking to outsource for goods and services, good practice and business efficacy demand that the purchaser wants to find a supplier who will be both reliable and will provide products or services that are good value for money (Griffith and Griffith, 2002).

Public Procurement

Kipchilat (2006) notes that public procurement is different from private procurement because in public procurement the economic results must be measured against more complex and long-term criteria. Furthermore, public procurement must be transacted with other considerations in mind, besides the economy. These considerations include accountability, non-discrimination among potential suppliers and respect for international obligations. For these reasons, public procurement is now subjected in all countries to enacted regulations, in order to protect public interests, especially public finance. Baily et al (2010) note that public purchases are accountable to the public whose money is spent, including disappointed tenderness and potential suppliers. As such they must produce procedures and practices which will stand up to scrutiny during either government audits or challenge through the courts of any purchasing decision that has been made un-procedurally. The primary purpose of public accountability is to prevent abuses of taxpayer's money.

Compliance

As cited by Gelderman et al (2006) in general, compliance refers to target "acting in accordance with an influence attempt from the source" (Payan and McFarland, 2005). From the perspective of a formal concept of compliance, the conduct of the regulated actor is compared to a formal definition of the corresponding

(legal) obligation (Lange, 1999). Compliance has a negative connotation, because it is usually associated with enforced behavior. In the marketing-channel literature compliance is considered as giving in to "the wishes of a more powerful channel member" (Hunt et al., 1987). Kelman (1958) too points at the negative sides of compliance: an individual accepts influence not because he believes in its content but because he expects to gain specific rewards or approval and avoid specific punishments or disapproval by conforming." Compliance occurs when the target performs a requested action, but is apathetic about it, rather than enthusiastic, and puts in only a minimal or average effort (Yukl, 1989).

Abstract- The aim of the study was to assess Factors Influencing Public Procurement Compliance with Public Procurement Act of 2011 and It's Regulations in Longido District Council. The study also identified the major challenges facing stakeholders' in complying with PPA of 2011 and its regulations. Moreover, the study determined possible measures for effective stakeholders' compliance with Public Procurement Act of 2011 and its regulations. Descriptive design was useful for collecting data and techniques used in analysis. Data was collected using administered questionnaires. All completed questionnaires proceeded to data analysis. A total of 50 questionnaires were returned. Data was analyzed using IBM SPSS Version 25 for descriptive and inferential statistics.

The results from the analysis revealed flow of funds, competence and commitment, staff training, and ICT, top management support and internal processes are the key factor affecting stakeholders' compliance. Also, Lack of incentives, Illiteracy and inadequate contract management skills among some service providers and Accusation of conflict of interest, bribery and corruption in procurement processes were major challenges facing stakeholders' in complying with PPA and its regulations. Moreover, study findings revealed that addressing stakeholders' problems, stakeholders training and development and enhancing transparency to curb corruption are possible measures for effective stakeholders' compliance with PPA of 2011 and its regulations. The study recommends that there is need to do a further research on the private sector in Tanzania. A broad based study on the effect of compliance with Public Procurement Act of 2011 and its regulations in performance of organizations should also be carried out.

I. BACKGROUND TO THE STUDY

In Tanzania, the Public Procurement Act was enacted to harmonize public procurement processes in the public service, secure judicious, economic and efficient use of public resources, and furthermore, ensure that public procurement is fair, transparent and non-discriminatory. Public Procurement has a long history. According to Telgen, (2006) Public Procurement is a comprehensive process stretching from procurement planning, budget allocation, bids invitation, bids evaluation, contract award, contract management, performance evaluation, auditing and reporting. It is an activity that must support the delivery of a public body's strategic objectives at the same time live up to the expectations of the targeted public and taxpayers at large. Arrowsmith (2010), stated that public procurement is one of the Government activities which have significant impact economically, socially and political in the country. In provision of services, governments spent huge sum of money in acquisition of materials and services. It is estimated that 7-13% of world Gross Domestic Product (GDP) and 30% of world merchandise trade could be available in the public procurement. Most industrialized countries spend at least 10% of their GDP on public procurement Trionfetti, (2013).

Developing countries, in one way or another, have reformed their public procurement regulations. The reforms have not been limited to regulations only, included public procurement processes, methods, procurement organizational structures and appropriate job specification and description for the workforce. The reforms have been a result of joint effort with various development partners like the World Bank, International Trade Centre, WTO, and UNCTAD varying from country to country. The PPRA as an oversight body has the mandate to ensure that public entities are adhering to Public Procurement Act, 2011. The PPA 2011 is giving equal opportunity to all prospective suppliers, contractors, consultants and service providers. It ensures fairness of treatment to all parties in order to obtain the value for money in the procurement process. The Act applies to all Government institutions which use public funds. The Defence and National Security Organs are obliged to comply with the Act in managing their procurement and disposal of public assets. They are required to prepare dual list that is items for open tendering and list for restricted items. They are required to agree annually with the PPRA on the restricted list and the methods of procurement for the restricted items. The PPA 2011 is being implemented with Public Procurement Regulations 2013 Government Notice No. 446 published on 15th December, 2013. However, apart from their contribution and Government efforts Public Procurement in LGAs encounter many barriers and problems in their operations, limiting their performance. The Public Procurement Act identified the compliance weakness in the public institutions that need urgent attention. These are: Lack of qualified procurement personnel, incorrect interpretation and application of some provisions of the procurement Act, slow pace in regularizing the Draft Regulations, lack of clear procedures for Emergency Procurement, lack of Training Avenues or Institutions, poor Record Management (scattered files), poor handling of Suppliers' Complaints, poor Procurement Planning, Mobilization & Implementation, poor Contract Management and high cost of Advertisement (PPA, 2007).

It is from this background that this study assessed the stakeholders' compliance with Public Procurement Act of 2011 and its regulations on Local Government Authorities (LGAs) in Tanzania.

Statement of the problem

It has been observed that in Tanzania LGAs the Public Procurement Act and its regulations were initiated in order to govern the Public Procurement (CPAR, 2013). This Act requires value for money to be realized even though it has been revised in a several times as Act No. 21 of 2004, No. 7 of 2013 and amendment of 2016 with their regulations, however; the experience shows that the law is not properly enforced. Abukari, (2014) found that the implementation of the Act was hindered by poor information dissemination, in adequate capacity and trainings, delay in payment of works executed by service providers and challenges with the law itself. Malima, (2016) found that factors that limited application of PPA procedures were: lack of procurement knowledge, lack of inadequacy fund due to highly dependency from donors and improper positioning of Procurement Management Units (PMUs). Fikya, (2017) found that generalization of the PPA 2011 in all Institutions was the major challenge. In Tanzania a number of studies relating to the above topic has been conducted but has not covered the problem. This was evidenced by Fikya, (2017) done a research on the Challenges on Complying with PPA of 2004 in the procurement of Goods in the specialized Institution at Medical Store Department (MSD). Suka, (2015) conducted a study on the effectiveness of PPA No. 21 of 2004 in procurement of Goods in the Central Government in Tanzania. Least but not last, Nyendage, (2015) conducted a study on the effectiveness of PPA No.21 of 2004 in achieving economy and efficient, in the use of Public funds in LGAs which was done at Ilala Municipal Council but in a most cases not covered all challenges of complying with PPA and its regulations. Therefore, from such views no research has been done specifically on assessing the compliance to PPA 2011 and its regulations in LGAs, Hence; this study sought to do an assessment of the stakeholders' compliance with Public Procurement Act of 2011 and its Regulations in Tanzania Local Government Authorities for the case of Longido District Council.

Specific objectives

The specific objectives of this study were to examine factors affecting stakeholders' compliance with PPA of 2011 and its regulations, to identify the major challenges facing stakeholders' in complying with PPA of 2011 and its regulations and to determine possible measures for effective stakeholders' compliance with Public Procurement Act of 2011 and its regulations

Significance of the Study

This study bears the following importance;

Government of Tanzania

The research findings would give guidelines to the Tanzania Government in the formulation of appropriate laws and rules that will be used in the planning, designing and implementation of a

sound public procurement system that will align itself to the overall economic strategy

Policy Makers

The study will enable policy makers to plan, organize and formulate good policies and laws that will help the society to grow. It will assist the policy makers to do the rational and right decision making when they are planning things that have direct impact to the society.

Researchers and Academicians

Another relevance of this study is the provision of empirical literature to the future researchers who are also interested in conducting researches in the area of compliance on Public Procurement Act of 2011 and its regulations. It would also serve as stock of knowledge for practitioners and students to gather experience in the area of compliance on Public Procurement Act of 2011 and its regulations. This study is therefore meant to provide empirical bases for such researchers.

II. LITERATURE REVIEW

FACTORS INFLUENCING PUBLIC PROCUREMENT COMPLIANCE

Factors influencing compliance with the public procurement range from staff training, use of ICT, top management support, awareness in provisions of public procurement laws, procurement ethic, technical audit factors and effectiveness of public procurement audit among others.

Staff Training

According to Raymond (2008), 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 occur. According to Atkinson (2003) cited in Raymond(2008), there are approximately 500,000 professional purchasing people in the United States and only 10 per cent of these have been members of a professional body and the rest are not even aware that there are ethical and legal standards involved in procurement. He also linked lack of a high degree of professionalism in public procurement to corruption, which ultimately impedes compliance. The procurement officers must be trained and aware about all regulations in relation to procurement and related procedures (Hui et al 2011). Rossi, (2010) asserts that ethical code is not only a deterrent of incorrect behavior but also an enabler for all members of the organization to safeguard the ethical legacy of the firm. In Uganda, the PPDA Audit Report (2008) revealed that lack of professionalism was high amongst public procurement officers. This position is further confirmed by Basheka and Mugabira (2008) who state that the level of professionalism in public procurement in Uganda is low or non-existent. De-Boer and Telgen, (2010) also attributed non-compliance in public procurement to lack of purchasing professionalism in the public sector.

Information, Communication and Technology (ICT)

The role of ICT and Management Information Systems in enhancing efficiency and transparency in public procurement cannot be underestimated (De-Boer and Telgen, 2010). ICT in public procurement is intended to serve a number of objectives which include: Broadening participation in public tendering, To speed up the procurement process and make it more efficient by expanding supply and demand; and to provide transparency in public procurement by reviewing established procedures and public information, and by developing an easy auditing system. Installation of ICT in public entities procurement aims at benefiting three main stakeholders: First, there is the public at large, which demands easy access to reliable information on public procurement. Secondly, the government purchasers that need a more efficient, faster and less bureaucratic procurement process. Besides that, public entities are keen on the use of systems to restore public trust on the part of public sector spending going to the acquisition of goods and services. According to (Oliver, 2005), Business solutions like SAPERP help in streamlining procurement controls all across the functional lines. Public sector procurement functions should also be cross-linked with such solutions. SAP also enables all units track procurement performances across different departments in the public sector. It enhances visibility and increases inventory transactions efficiently.

Top Management Support

Hui et al (2011) stipulates that efficient management is one of the most effective preventive mechanisms for it promotes transparency and accountability, facilitates oversight and provides a good basis to prevent corruption. Rossi, (2010) opines that formal controls must first be defined, agreed, and applied top-down internally within an organization if they are to be effective. An organization with a genuine commitment to legal compliance is evidenced by top management's dedication to ethical corporate behavior (Krawiec, 2003). In a related argument, Obanda, (2010) stipulated that strong institutional support at top levels of government is needed by procurement personnel in order to promote integrity, monitor the public procurement process and apply procurement law appropriately.

Awareness in Provisions of Public Procurement Laws

According to Rossi (2010), compliance with the formal elements gives an indication of knowledge of the rules. Gelderman et al; (2013) maintained that public purchasers will comply with the rules if they perceive them as clear. It is further argued that Lack of clarity is believed to increase the possibilities for deliberate non-compliance. Educating and training public purchasers will be an effective tool for increasing the compliance with the directives.

Ethics in Procurement Regulations

Dobler and Burt (2013) define a profession as: "a calling requiring specialized knowledge and often long and intense preparation including instruction in skills and methods, maintaining by force of organization or concerted opinion high standards of achievement and conduct, and committing its members to continued study and to a kind of work to which has for its prime purpose the rendering of a public service" This definition is echoed by Millerson (2014) who lists the following

essential features of a profession. A profession according to Millerson has the following essential features; A skill based on theoretical knowledge; A skill requiring training and education; the demonstration of competence by professional by passing a test; maintenance of integrity by adherence to a code of conduct; service provided for the public good and that the profession is organized.

Institutional Factors

According to Luy (2014), there are six dimensions through which we can judge the level of institutionalization of any structure and its ability to adapt to change, including: autonomy, complexity, coherence, congruence and exclusivity. Implementation of organizational activities depends on the relationships between and within organizations. One way to explain this relationships and its effect on implementation of organizational activities is the principal-agency theory holds that shirking is likely to occur when there is some disagreement between policy makers and the bureaucracy. Civilian political leaders (principals) delegate authority to the bureaucracy (agent) with the expectation that the agent does not move quickly enough to reflect the policy preferences of principal, the committee members could show their displeasure by cutting the funding of the organization. Leaders (the principals), through powers of appointment and the purse are in position to influence bureaucratic outputs. Luy, (2014) quoting Calvert et.al. (2010), found that politicians wield considerable power in affecting bureaucratic outputs via the power of appointment. Calvert et al posits that the chief executives power of appointment and the threat of legislative sanctions influence bureaucratic output.

Accountability

Accountability is government's obligation to demonstrate effectiveness in carrying out goals and producing the types of services that the public wants and needs (Segal and Summers, 2012). Lack of accountability creates opportunities for corruption. Brinkerhoff (2014) identifies three key components of accountability, including the measurement of goals and results, the justification or explanation of those results to internal or external monitors, and punishment or sanctions for non-performance or corrupt behavior. Strategies to help increase accountability include information systems which measure how inputs are used to produce outputs; watchdog organizations, health boards or other civic organizations to demand explanation of results; performance incentives to reward good performance; and sanctions for poor performance (Vian and Collins, 2014).

Internal Processes

Public procurement has, for long, been overshadowed with inefficiency, corruption and disregard of fundamental "value for money" considerations. This has adversely impacted the rate and quality of progress in realizing the objectives of national development, especially in developing and transition countries (Tan et al., 2009). Employees may neither engage in, nor give the appearance of engaging in, dishonest or unethical actions. Both are injurious to the public's perception of honest government. As a government employee, you might have access to procurement and other nonpublic information that could affect a contract bid or the award process (Wymer and Regan, 2010). Improper

disclosure of such protected information could violate numerous laws, as well as ethics rules. It also could subject you to administrative actions, as well as civil or criminal penalties. Management in contracting authorities should ensure that there is an appropriate focus on good practice in purchasing and, where there is a significant procurement function that procedures are in place to ensure compliance with all relevant guidelines.

Theories guiding the Study

Stakeholders Theory

Stakeholder theory originated by Freeman (1984) is defined as "any group or individual who can affect or is affected by the achievement of the organization's objectives". Unlike agency theory in which the managers are working and serving for the stakeholders, stakeholder theorists suggest that managers in organizations have a network of relationships to serve that include the suppliers, employees and business partners. According to Freeman (2002), each stakeholder is given an important say in making important decisions. Business and executives who manage them, should create value for customers, suppliers, employees, communities and financiers (Stieb, 2008) The stakeholder theory argues about the importance of a firm paying special attention to the various stakeholder groups that are deemed to have a stake in the operations of a firm. The representation of all stakeholder groups on boards is therefore necessary for effective corporate governance (Gibson, 2010). The model depicts the stakeholders in a typical large corporation. The stakes of each are reciprocal, since each can affect the other in terms of harms and benefits as well as rights and duties (Freeman, 2002). Owners have financial stake in the corporation and expect returns. Employees have their jobs and usually their livelihood at stake. They have socialized skills and in return for their labor, expect security, wages and benefits and meaningful work (Frey & Nickerman, 2009). They are in return expected to follow the instructions of management, and be responsible citizens in the local community in which the corporation operates. The stakeholders theory will be used to establish how different stakeholders such as the general public, the government, civil society, suppliers and various procurement professional organizations influence effective implementation of the public procurement rules and regulations and how this affects organizational performance.

Principal Agent Theory

Agency theory was expounded by Alchian and Demsetz (1972) and further developed by Jensen and Meckling (1976). The theory defines the relationship between the principals, such as shareholders and agents or company executives and managers. In this theory, shareholders who are the owners of the company, hire the agents to perform work. Principals delegate the running of business to the managers, who are the shareholders' agents (Clarke, 2014). According to Rungtusanatham et al., (2013), two parties have an agency relationship when they cooperate and engage in an association wherein one party delegates decisions or work to another to act on its behalf. The important assumptions underlying agency theory are that: potential goal conflicts exist between principals and agents; each party acts in its own self-interest; information asymmetry frequently exists between principals and agents; agents are more risk averse than the

principals; and efficiency is the effectiveness criterion (Xingxing&Kaynak, 2012). The theory deals with situations in which the principal is in a position to induce the agent, to perform some task in the principal's interest, but not necessarily the agent's (Health & Norman, 2013). Accounting officers and procurement managers in state corporations play the agent role for the government and the organization stakeholders. Compliance with procurement rules and regulations may be as result of principal-agent problem (Langevoort, 2012). The PPDA, (2005) bestows the responsibility of compliance with PP legal framework on the Accounting Officers of the PEs. Theory will be useful in explaining the relationship between the government and the state corporations in compliance to the legal framework. Theory will explain how the actions of the agent affect the principal and other stakeholders for example making non optimal decisions as far as the utilization of financial resources and non-financial resources are concerned (Muranda, 2016).

Institutional Theory

Institutional theory adopts a sociological perspective to explain organizational structures and behavior (Dunn, 2010). It draws attention to the social and cultural factors that influence organizational decision-making and in particular how rationalized activities are adopted by organizations (Scott, 2011). The institutional theory is the traditional approach that is used to examine elements of public procurement (Obanda, 2010). Scott, (2014) identifies three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as enforcement mechanism, with expedience as basis for compliance. The normative pillar refers to norms and values with social obligation as the basis of compliance. The cultural-cognitive pillar rests on shared understanding on common beliefs, symbols, and shared understanding.

Legitimacy Theory

Legitimacy theory derived from the concept of organizational legitimacy, was defined by Dowling and Pfeffer, (1975) as a condition or status which exists when an entity's value system is congruent with the value system of the larger social system of which the entity is a part (Guthrie, Cuganesan& Ward, 2016). When a disparity, actual or potential, exists between the two value systems, there is a threat to the entity's legitimacy. Legitimacy theory posits that organizations continually seek to ensure that they operate within the bounds and norms of their respective societies. According to Wilmshurst and Frost (2010), the legitimacy theory postulates that the organization is responsible to disclose its practices to the stakeholders, especially to the public and justify its existence within the boundaries of society. This theory, which focuses on the relationship and interaction between an organization and the society, provides a sufficient and superior way for understanding state corporations procurement practices (Hui et al., 2011).

Empirical Literature Review

Gelderman et al., (2015) undertook a study on non-compliance of EU tendering directives. The study surveyed 147 purchasing professional of the Dutch Ministry of Defense and the findings

revealed that both purchaser's familiarity with the rules and organizational incentives have a positive, statistically significant impact on compliance. On the other hand, inefficiency of the directives and supplier resistance did not influence compliance with the directives. The study however failed to give recommendations on how both developed and developing nations can improve regulatory compliance and increase organizational performance.

Sasheka, (2018) as well undertook a study among 99 local government stakeholders selected from 11 districts of Uganda. Using a correlation research design, study aimed at identifying the critical components of procurement planning and accountable Government system. Data was analyzed using principal component factor analysis and results indicate a significant positive relationship between procurement planning and accountable local government procurement systems.

Geo, (2015) on the other hand carried out a study on factors influencing compliance with the Public Procurement Law (Act 663). The research used data from a survey of 58 responding PP purchasers from procurement entities within the public sector of Ghana. Study established that both organizational goal achievement and familiarity of rules by PP practitioners have a positive, statistically significant impact on compliance. The study focused on non-compliance and failed to show how it affects the performance of public entities.

Ogot, Mulinge and Muriuki, (2016) studied the impact of the PP law and Regulations on 54 profit oriented public corporations in Kenya. The study established that regulating procurement in profit oriented public corporations had significantly promoted transparency, quality and value for money in procurement carried out. However, the study revealed that the ability by the PEs to bargain with suppliers for the best deal and speedy response to business opportunities were some of the areas adversely impacted by the law. The study did not indicate the impact of the inability to bargain with suppliers and failure of speedy response to business opportunities had on the firms' profitability and growth; for accountability of the firms; profit generation and growth cannot be alienated from the managers' discretion to control cost of inputs, that is, procurement (Ogot et al., 2010). In other words, there is no rationale to task managers of regulated firms for failure to generate profits if they are denied control over costs. The managers' denial of discretion and control over operating costs may have significant adverse effect on business planning and the overall firm's performance. However, using data collected from semi structured interviews in Atlanta Georgia, Schnequa and Alexandra (2012) noted that the Public Private Partnerships in public procurement are possible only under rigid constraint. In their study, they found that there are two decision making patterns, the-broker and the purist-correlated with length of employment by the same organization and the political context of the agency.

Ivar et al., (2011) conducted a survey of over 7300 procurers and participating firms and in-depth interviews with 150 procurement professionals on the patterns of use, costs and effectiveness of EU procurement. The study sought to directly assess the costs of procurement and to compare costs across procedures, countries, authorities and sectors. Findings indicate that procurement costs and effectiveness vary significantly across countries and that the procurement directives support the core objectives of PP policy.

In particular, PP markets are highly competitive and this helps to bring about efficient purchasing outcomes. The regulatory dilemma is how to balance the positive core features of the system, while responding to a perceived need for increased efficiency and flexibility.

PPOA (2011), undertook a survey on the level of compliance to the procurement law and established that the introduction of the legal and regulatory procurement framework; the establishment of PPOA as an oversight body; the development of a framework for contract administration and the appeals mechanism were among the aspects of the procurement system rated as having been positively affected by the law. In contrast, the existing institutional development capacity in PEs and functioning of the procurement market were assessed as being among the weakest aspects of the system. The study noted that although procedures supporting systematic procurement planning had been established were not complied with, that there was a low share of procurements that were done through open tendering, meaning most procurements were done on an ad hoc basis, by RFQs and direct procurements, thus suggesting a lack of procurement planning in most of the surveyed PEs. One of the strong points about the public procurement law according to the study was that procurement decision making had been fully delegated.

Eyaaet al., (2017) conducted a cross sectional study on the causes of non-compliance in PP in Uganda using a structured questionnaire. The target population was 120 Central Government Procuring and Disposing Entities (PDEs). The sample size selected was 92 using random sampling technique and the response was 46, giving a response rate of 50%. Collected data was analyzed using correlation analysis. The reliability of the measures was determined using the Cronbach Alpha Co-efficient. All coefficient of the variables were above 0.5, implying that the measures were adequate. The findings indicate that only familiarity with rules is a significant predictor of compliance. The implication is that the more procurement personnel are familiar with the regulations, the more compliant they will be. The authors' model indicates a 52.4% variation in compliance with the regulations. The study did not explore the structure of the country's procurement legal framework and how it affects the performance of PEs.

Osei-Tutuet al., (2016) studied the level of compliance with the public procurement Act in Ghana targeting PEs in local government, education and health as representation of procurement activities of the Ashanti and BrongAhafo regions. Four main compliance areas with sub-criteria adopted were management systems, information and communication, procurement process and contract management. The simple method of calculating averages was employed in the computations to determine the degree of compliance and obtaining a 100% would imply that the PE fully complied with the requirements of the procurement law in that particular area.

The study by Ntayiet al., (2018) examined the perceptions and effects of social value orientation, expected utility, fairness in procurement procedures, the legitimacy of the procurement law and the procurement law enforcement authority on compliance with the procurement law, guidelines, procedures and regulations. Data were collected from a sample of 110 Procurement and Disposing Entities (PDEs) and analyzed using confirmatory factor analysis (CFA) and structural equation

modeling (SEM). Findings indicate that social value orientation, expected utility, legitimacy of the procurement law enforcement agency and perceptions of procedural justice were significant predictors of the PP regulatory compliance (Ntayiet al., 2015). CFA demonstrates that PP staffs are driven by individualistic self-interest, pro-social and competitive social value orientations while performing the procurement functions and follow rules which they do not believe in, but which are perceived by government to promote transparency and accountability.

A study by Kenyanya et al., (2016) sought to determine the influence of the PPDA, (2016) on procurement practices in PEs in Kenya. Data were collected from 95 respondents of tender committee members, the suppliers and the principals of the schools. Study established that the regulations have had a significant influence on pricing of goods procured and lead time. On the other hand, the same regulations have had a less significant influence on transparency of the procurement process and quality of goods procured.

Achuora, Arasa and Onchiri (2017) conducted a study on the factors affecting effectiveness of PP audits for constituency development funds in Kenya. Specifically it sought to investigate the effect of the legal framework, auditor's specific professional qualities, technical audit factors and client-related factors on effectiveness of PP audits. The study adopted a descriptive research design using a stratified random sampling to ensure representativeness. The study findings indicate that technical audit factors have greatest influence on effectiveness of PP audit, followed by regulatory framework, client related factors and auditor's professional qualities respectively. The study narrowed its research undertakings on PP audits and hence failed to demonstrate the influence of PP rules and regulations on performance of PEs.

European Union Chamber of Commerce in China (2015) conducted a study on European business experiences competing for public contracts in China. The study targeted foreign-invested enterprises (FIEs) competing in China's PP markets. The study established that the regulatory framework governing procurement is fragmented, inconsistent and unevenly implemented and that it is a drag on efficiency and innovation for the Chinese economy as a whole. However, the study failed to demonstrate the influence of the Chinese government procurement legal framework and performance of government corporations.

A study by PPRA (2016) assessed the Country's Procurement System in 20 PEs that were sampled randomly. The assessment methodology was based on the OECD-DAC/WB structure of four pillars, namely: legislative and regulatory framework; institutional framework and management capacity; procurement operations and market practice; and integrity of the public procurement system. The study found out that tenders which did not use standard bidding documents accounted to 55% and most of the interviewed stake holders were not familiar with the Act and Regulations. The study recommended enforcement and close monitoring of all PEs to ensure compliance.

In another study by Belisario et al., (2018) on Asia Pacific Economic Cooperation procurement transparency standards in the Philippines, entailed consultations with the private sector whether those laws and regulations are implemented in practice and actually help reduce corruption. Study failed to demonstrate

the influence of the employed procurement legal framework on performance of government corporations in Philippines.

Tadeo et al., (2018) studied the extent to which procurement officers at local governments in Uganda comply with the legal framework and the relationship between compliance and service delivery. The study adopted a combination of qualitative and quantitative approaches to collect and analyze the data. The findings indicate a moderate level (70%) of compliance to the law and a weak relationship between compliance and timeliness ($r = .13$, $p = .57$), cost ($r = .38$, $p = .63$), and quality ($r = .18$, $p = .49$). Study failed to show the effect of compliance with procurement rules and regulations on organizational performance.

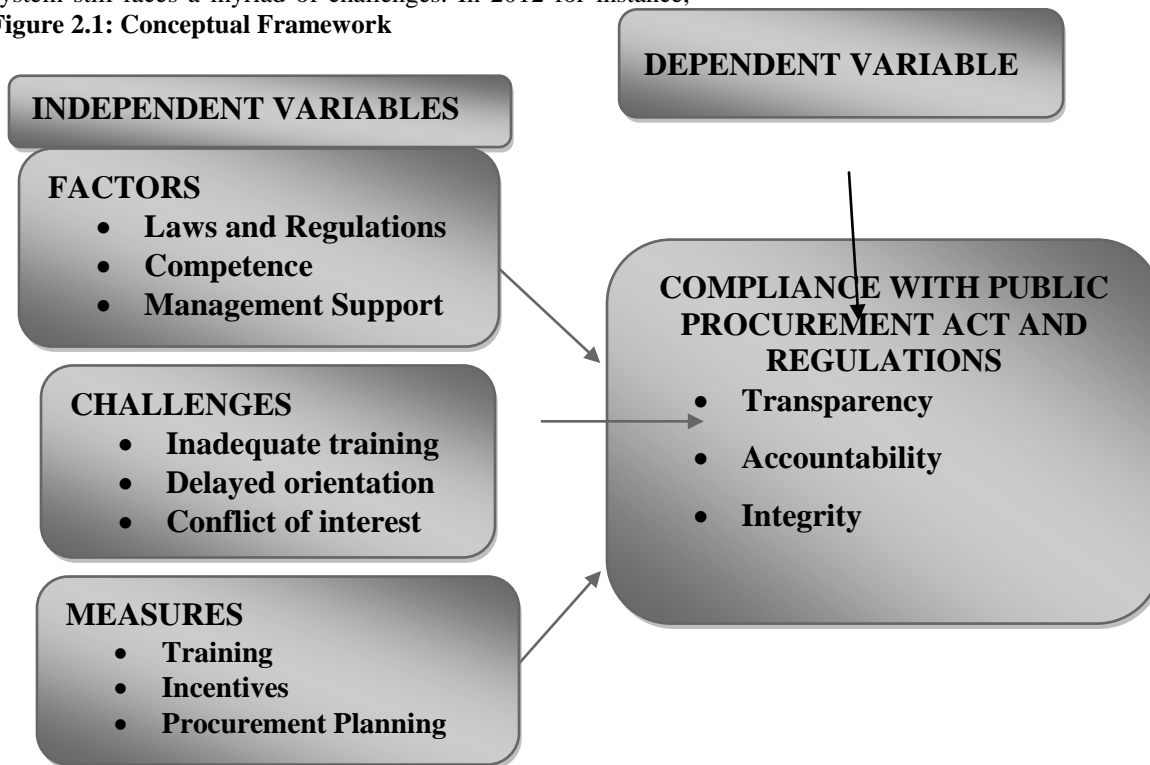
Okundi (2017) carried out a study on Procurement Laws Review Key to the Success of Devolution with the aim of establishing how procurement law can help implementation of county governments. Study revealed that despite the progress made since the operationalization of the law, the Kenyan procurement system still faces a myriad of challenges. In 2012 for instance,

the then Permanent Secretary for Finance noted that up to 30 per cent of the national budget is lost in procurement related malpractices.

Conceptual Framework

A conceptual framework is simply a structure of the research idea or concept and how it is put together when describing the expected outcome of the study. It is a logically developed described and elaborated network of associations among variable that have been identified through processes as interview observations and literature survey (Sekaran, 1992). Conceptual framework of this study explains relationship between independent variables and dependent variable. Independent variables in this study are factors, challenges and measures for effective stakeholders' compliance with Public Procurement Act of 2011 and its regulations. Dependent variable of this study is compliance with Public Procurement Act of 2011 and its regulations.

Figure 2.1: Conceptual Framework



Source: Researcher 2019

Variable Measurements

The dependent and independent variables above was measured by various measurements as indicated in the table below:

Table 2.1: Variable measurements

Variable	Measurements
Factors	Laws and Regulations
	Competence
	Management Support
Challenges	Inadequate training

	Delayed orientation Conflict of interest
Measures	Training Incentives Procurement Planning
Compliance with Public Procurement Act and regulations	Transparency Accountability Integrity

Source: Researcher, 2019

III. METHODOLOGY

Research Philosophy and Approaches

The selection of an approach to be employed in any research normally rest on the nature of the question under consideration and objectives of the research itself (Best & Khan 1993). There are two basic approaches to research, namely, quantitative approach (involving the generation of data in a quantitative form) and qualitative research (involving the subjective assessment of attitude, opinions and behavior) (Kothari, 2003). Both quantitative research approach and qualitative research approach was adopted in this study to complement each other. Creswell (1994) asserts that, although triangulation was an important reason to combine the qualitative and quantitative methods.

Research Design and Techniques

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. As such the design includes an outline of what the researcher will do from writing the hypothesis and its operational implications to the final analysis of data (Kothari, 2004). Different researchers have classified Research design using different criteria. Among those is a topical scope criterion in which classification base on scope of the study (breadth and depth). Basing on the criterion, research designs can be classified into three types, which include case study design, survey design and experimental design. In this study, the case study design was used because of its flexibility for data collection, appropriateness and is efficient.

Types of measurements

The researcher made various measurements on collection of data that included the adherence of procurement act and its regulation to Longido District Council procurement, problems that arise in compliance with Public Procurement Act of 2011 and its regulations, relationship between compliance with Public Procurement Act of 2011 and its regulations and factors, challenges and measures for according to respondents at Longido District Council.

Data Collection Methods

This section describes the types of data that collected in the field which was both qualitative and quantitative data.

Primary Data

Primary data are those, which are collected afresh and for the first time and thus happen to be original in character. Primary data involves direct experience and observation and thus, distortion by other observers are avoided and therefore reliable. These data was obtained through questionnaires. Questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. This consist of a number of questions printed or typed in a definite order on a form or set of forms. The questionnaires were issued to the respondents who read and

wrote down reply of their own. The researcher used the structured questionnaire during the case study in which questions; a set of questions seeking data from respondents was organized and handled to them. The researcher used questionnaire because they are reliable, simple, needs minimum costs and the required data collected with a minimum number of errors. Questionnaires were designed to bring out silent aspects of the research which may not be covered by interviews. Open and closed questions were used.

Secondary Data

These are data which are resulted from secondary sources, so are data already exist (Mugenda, 2003). Secondary data was gathered from various sources include both published and unpublished sources such as books, journal articles (printed and electronic) research reports, dissertations, seminar and conference proceedings

Sampling Design Target Population

According to Kombo & Tromp (2006) population is a group of individuals, objects or items from which samples are taken for measurement. The population of this study included PMU Staff, Member of Finance Committee, and Head of PMU District Executive Director and Human Resource Managing Longido DC as summarized in the Table 3.1

Sample Frame

Sampling frame consists of a list of items from which the sample is to be drawn (Kothari, 2004). In this study, the sampling frame consisted of staff of Longido DC, This sampling frame expected to suitable for this study because it consists of people who are aware of procurement act and its regulation they are in position to assess its compliance.

Sampling Procedures and Techniques

According to Kothari (2004) sampling design and procedures involves the decision to the type of sample and technique to be used in selecting the items for sample. The study used purposive sampling design which is non probability sampling in selecting sample of this study. Non Probability Sampling Procedures used in some situations, where the population may not be well defined. According to Singh (2006), the purposive sampling is selected by some arbitrary method because it is known to be representative of the total population, or it is known that it will produce well matched groups. The idea is to pick out the sample in relation to some criterion, which is considered important for the particular study. Henceforth, the researcher used simple random sampling in selecting district officials.

Sample Size

Sampling is the process by which a relatively small number of individual, object or event is selected and analyzed in order to find out something about the entire population from which was selected (Kothari, 2004). A sample is a small proportion of targeted population selected using some systematic form. The research used the sample size of the 50 employees.

Table 3.1: The targeted population with respective sample size

S.N	Department	Population	Sample Size	Sampling Technique
1	PMU Staff and Head of PMU	5	5	Purposive Sampling
2	Finance staff and Head of finance	9	9	Purposive Sampling
3	District Executive Director	1	1	Purposive Sampling
4	Human Resource officers	4	4	Purposive Sampling
5	Internal Auditors	2	2	Purposive Sampling
6	Other District Officials	70	29	Simple Random Sampling
	TOTAL	90	50	

Source: Researcher, 2019

Validity and Reliability of Data

Reliability: for a research to be reliable, it must demonstrate that if it were carried out on a similar group of respondents in a similar context, the similar results will be found (Kothari, 2004). Data reliability is a cornerstone of making a successful and meaningful study. In order to collect reliable data, the researcher designed the questionnaires in a simple, short and hence not boring format, this was through an elaborate procedure which involved a series of revisions under the guidance of the study supervisors to ensure that the fieldwork was conducted by the use of high quality data collection methods. In order to measure internal consistency, researcher used Cronbach’s alpha method to test reliability of the data.

Validity refers to the extent to which the concept one wishes to measure is actually being measured by a particular scale or index (Babbie, 1992). To ensure validity, the study used the triangulation technique by using questionnaires and secondary data analysis concurrently and this was done through piloting of the data collection instruments used to collect data. The data collection instrument was designed in such a way that they measure attitudes and opinions of respondents towards stakeholders’ compliance with Public Procurement Act of 2011 and its regulations. Issues developed from conceptual framework were compared with issues obtained from answers acquired from questionnaires so as to ensure construct validity the Kaiser Meyer Olkin, (KMO) method was used.

Management and analysis of Data

Data management

Data Management refers to any activity concerned with looking after and processing the information. It includes; looking after field data sheets, entering data into computer files and checking data and preparing for analysis (Muraya, 2002). Data management is the process of controlling the information

generated during a research project. Any research will require some level of data management. The data in this study was analyzed by using simple excel where by tables, graphs and histograms will be used to present.

Data Analysis Methods

After data collection, the completed questionnaires were checked for errors before subjecting them to analysis. Statistical techniques such as descriptive statistics; frequencies, mean, standard deviation was carried out using SPSS (Statistical Package for Social Sciences version 25) computer package. Data was analyzed descriptively to provide frequency ranges and percentages of the results. Cross-tabulation will be used to determine the relationships between the study variables. Inferential statistics such as chi-square tests was used to analyze significant effects between variables. The findings were presented in form of tables, charts and narrative statements.

IV. FACTS FINDINGS AND ANALYSIS

Demographic Information

This section shows demographic characteristics of the respondents who were involved in this study. 50 respondents were involved in the study based on four aspects: age, gender, marital status, education level and working experience. Their descriptions are therefore presented below:

Table 4.1: Demographic Characteristics of the Respondents

Demographic Characteristics		Frequency	Percent (%)
Gender	Male	23	46
	Female	27	54
Age	Less than 18 years	0	0
	19-30 years	20	40
	31 - 40 years	17	34
	41 - 50 years	10	20
	Over 50 years	3	6
Education	Certificate Level	4	8
	Diploma Level	15	30
	Degree Level	28	56
	Masters	3	6
Working Experience	Below 2 Years	8	16
	3 - 5 Years	17	34
	6 - 10 Years	15	30
	Above 10 Years	10	20

Source: Field Data 2019

Gender

Gender was seriously taken into consideration to collect data from the respondents as revealed in Table 4.1 above. During data collection phase respondents were required to specify their

gender characteristics. From the representation, the majority of the respondents were female, with (54%) while male was by 46%. As from this depiction, majority of the employees are female as studied in Longido DC.

Age distribution

Furthermore, the age ranges of the respondents were of particular importance for a deeper analysis of the employees. As from the depiction, majority of the respondents ranged in 31 to 40 years with a 34% rate. 40% aged between 19 to 30 years, 20% ranged between 41 to 50 years, none of the respondents were less than 18 years and 6% aged above 50 years as analyzed in the respective figure above. This indicates that the majority of staff at Longido DC are in their most productive age group. Such employees are likely to perform better at their jobs

Education

As shown in Table 4.1 above, majority of the respondents (56%) were undergraduate degree holders as the remaining, 30% were diploma holders, 8% had certificate while the remaining 4% Master's Degree holders. This was an indication that indeed most employees working in Longido DC - Iringa were highly qualified and therefore well suited to serve in their respective service industry. This practically implies that the Longido DChas adequately educated employees who are likely to perform better at their jobs.

Working Experience

As shown above, majority of the respondents (34%) had worked for 3-5 years. Specifically, 20% of the respondents had worked between 6-10 years; similarly, 20% of the respondents had worked above 10 years. On the other hand, 16% had experience of less than two years. The results show that the Longido DChas experienced staff. Experienced staffs are likely to perform better at their jobs due to the job experience gained over time.

Test of Validity and Reliability

Reliability

In this study reliability test was done using Cronbach alpha, Cronbach's alpha is the most common measure of internal consistency ("reliability"). It is most commonly used when you have multiple Likert questions in a survey/questionnaire that form a scale and you wish to determine if the scale is reliable (Adriano, 2010)Therefore in this study the findings of Cronbach's Alpha is 0.780, the coefficient are significant as shown in the table 4.5 below.

Table 4.2: Reliability Statistics

Reliability Statistics

Cronbach's Alpha	N of Items
.780	26

Source: Field Data, 2019

Validity

Factor analysis was done using Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity so as to determine the level of adequacy of factor analysis. Kaiser-Meyer-Olkin (KMO) Test is a measure of how suited your data is for Factor Analysis. The test measures sampling adequacy for each variable in the model

and for the complete model. The statistic is a measure of the proportion of variance among variables that might be common variance. The KMO measure of sampling adequacy reflects score of (0.750), which is well above the recommended 0.50 level as suggested by (Khan, 2010) and the Bartlett's test of sphericity is significant at 0.000 ($p \leq 0.000-0.05$) levels

Table 4.3: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.750
Bartlett's Test of Sphericity	Approx. Chi-Square	303.885
	Df	3
	Sig.	.000

Source: Field Data, 2019

Finding in relation to Objectives

Factors affecting stakeholders' compliance

The objective was to examine factors affecting stakeholders' compliance with PPA of 2011 and its regulations. Table 4.4 shows the findings with regard to the factors affecting stakeholders' compliance. The findings from the 50 respondents show that the Seventy four percent agreed that laws and regulations are among factors that affect the stakeholders' compliance. Understanding and knowledge of stakeholders towards the laws and regulations governing Public Procurement Acts seemed to inspire their compliance. Seventy two percent asserted that preparation of Procurement proceedings especially in designing stage impact stakeholders' compliance with PPA of 2011 and its regulations.

From the table 4.2 below, with weighted mean of 4.33 majorities of respondents agreed that flow of funds impact the stakeholders' compliance with PPA of 2011 and its regulations. This meant that limited flow of funds during tendering process may limit achievement of competitive priced bids, timely completion of the project and even the meeting the standard quality of the projects intended. The study findings also uncovered that competence and commitment of suppliers/contractors have influence acquiescence of stakeholders with PPA of 2011 and its regulations. It is important to offer training to tendering committee members in order to ensure they serve in ultimate objectivity, accountability, and non-discrimination (Jany, 2013). Study findings unveiled that 74 percent of the respondents stated that staff training influence the stakeholders' compliance with PPA 2011 and its regulations. It cannot be denied that Information and Communication Technology has simplified and enhanced efficiency and transparency in many public activities. The study findings of this study showed that the majority of respondents agreed that the Information and Communication Technology affect the stakeholders' compliance with PPA of 2011 and its regulations.

About 74 percent of the respondents asserted that top management support has something to do with stakeholders' compliance with PPA of 2011 and its regulations. By having efficient management which has effective preventive mechanisms promotes transparency and accountability for stakeholders' compliance with PPA of 2011 and its regulations. Form the table below, the study findings revealed that with

weighted mean of 4.20 majority of respondents (48 percent) felt that the internal process affects the stakeholders' compliance with PPA of 2011 and its regulations.

Table 4.4: Factors affecting stakeholders' compliance

Factors affecting stakeholders' compliance with PPA of 2011 and its regulations.	Weighted Mean
Laws and Regulations	4.25
Preparation of Procurement Proceedings especially in designing stage	4.23
Flow of funds	4.33
Competence and commitment of suppliers/contractors	4.31
Staff Training	4.05
Information, Communication and Technology	3.09
Top Management Support	4.01
Internal processes	4.20

Source: Field Data, 2019

Factors affecting stakeholders' compliance with PPA of 2011 and its regulations.	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
	F	%	F	%	F	%	F	%	F	%
Laws and Regulations	0	0	6	12	7	14	8	16	2	5
Preparation of Procurement Proceedings especially in designing stage	0	0	3	6	1	2	9	18	2	5
Flow of funds	0	0	2	4	1	2	4	8	3	6
Competence and commitment of suppliers/contractors	4	8	9	18	0	0	1	2	2	4
Staff Training	0	0	5	10	8	16	3	6	7	14
Information and Communication technology	0	0	1	2	0	0	1	2	2	4
Top Management Support	1	2	1	2	0	0	3	6	7	14
Internal processes	9	18	4	8	1	2	2	4	0	0

Source: Field Data, 2019

Challenges facing stakeholders' in complying with PPA and its regulations

This section sought to disclose major challenges facing stakeholders' in complying with PPA of 2011 and its regulations. Table 4.5 shows that the weighted mean for all the items was greater than 4.1 indicating that respondents agreed with the statements.

The study revealed that 74 percent of the respondents felt that the inadequate training of procurement staff is among challenge encounter stakeholders' in complying with PPA of 2011 and its regulations. Majority of the respondents (70 percent) asserted that lack and poor use of technical Experts for preparation of Procurement Proceedings especially in designing stage is among challenges facing stakeholders' in complying with PPA of 2011 and its regulations

The study revealed that lack of knowledge is a challenge to stakeholders in complying with PPA and its regulations. This was shown by 74percent of the respondents who felt that Lack of knowledge of legal framework caused by poor dissemination of the Procurement Act and Regulation.

This study further revealed that 64 percent thought that lack of incentives to follow proper procedures, caused by weak monitoring and enforcement while 74 percent agreed that the delayed orientation in Key stakeholders in new procurement reforms/ laws to Tender and Review Board members, procurement staff and services providers is among challenges facing stakeholders' in complying with PPA of 2011 and its regulations.

Respondents agreed that the delays in establishing full time operational Procurement Units with the full complement of staff by 74% and 82% of the respondents agreed that inadequate/lack of funding to execute procurement activities meanwhile 84% of the respondents agreed that failure to attract qualified and competent service providers at the local level.

From the findings above, the majority of the respondents (84%) agreed that Illiteracy and inadequate contract management skills among some service providers. Respondents from Longido District Council agreed that accusation of conflict of interest, bribery and corruption in some procurement processes defy stakeholders' in complying with PPA of 2011 and its regulations by seventy four percent. Moreover, the study finding depicted that inadequate capacity in effective procurement planning confront stakeholders' in complying with PPA of 2011 and its regulations.

Table 4.5: Challenges facing stakeholders' in complying with PPA of 2011 and its regulations

Challenges facing stakeholders' in complying with PPA of 2011 and its regulations	Weighted Mean
Inadequate training of procurement staff	4.26
Lack and poor use of technical Experts for preparation of Procurement Proceedings especially in designing stage	4.11
Lack of knowledge of legal framework caused by poor dissemination of the Procurement Act and Regulation	4.28
Lack of incentives to follow proper procedures, caused by weak monitoring and enforcement	4.13
The delayed orientation in Key stakeholders in new procurement reforms/ laws to Tender and Review Board members, procurement staff and services providers	4.28
The delays in establishing full time operational Procurement Units with the full complement of staff	4.21

Inadequate/lack of funding to execute procurement activities	4.31	Accusation of conflict of interest, bribery and corruption in some procurement processes.	4.12
Failure to attract qualified and competent service providers at the local level	4.20	Inadequate capacity in effective procurement planning	4.31
Illiteracy and inadequate contract management skills among some service providers	4.20	Source: Field Data, 2018	

Table 4.5: Challenges facing stakeholders’ in complying with PPA and its regulations

Challenges facing stakeholders’ in complying with PPA and its regulations	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
	F	%	F	%	F	%	F	%	F	%
Inadequate training of procurement staff	0	0	0	0	13	26	17	34	20	40
Lack and poor use of technical Experts for preparation of Procurement Proceedings especially in designing stage	13	26	2	4	0	0	20	40	15	30
Lack of knowledge of legal framework	0	0	0	0	13	26	6	12	31	62
Lack of incentives to follow proper procedures	0	0	5	10	14	28	18	36	13	26
The delayed orientation in Key stakeholders in new procurement reforms/ laws to Tender and Review Board members, procurement staff and services providers	0	0	8	16	5	10	16	32	21	42
The delays in establishing full time operational Procurement Units with the full complement of staff	0	0	5	10	8	16	7	14	30	60
Inadequate/lack of funding to execute procurement activities	0	0	0	0	9	18	13	26	28	56
Failure to attract qualified and competent service providers at the local level	0	0	6	12	7	14	8	16	29	58
Illiteracy and inadequate contract management skills among some service providers	0	0	3	6	10	20	9	18	28	56
Accusation of conflict of interest, bribery and corruption in some procurement processes.	0	0	2	4	11	22	4	8	33	66
Inadequate capacity in effective procurement planning	4	8	9	18	0	0	14	28	23	46

Source: Field Data, 2019

Measures for effective stakeholders’ compliance

This section sought to unveil the possible measures for effective stakeholders’ compliance with Public Procurement Act of 2011 and its regulations. This study revealed that the Reward stakeholders who fully adhere Public Procurement Act and its regulations accordingly influence effective stakeholders’ compliance with Public Procurement Act of 2011 and its regulations. This was shown by 80 percent of the respondents who were in agreement with the proposition.

About 70 percent of the respondents were of the opinion that disciplinary measure for stakeholders who fail to adhere Public Procurement Act and regulations should be put in place.

Majority of respondents, 62 percent said that by setting incentives for complying with Public Procurement Act and regulations would ensure effective stakeholders’ compliance with Public Procurement Act of 2011 and its regulations.

A further 58 percent of respondents agreed that by addressing stakeholders’ problems concerning Public Procurement Act and its regulations would ensure effective stakeholders’ compliance with Public Procurement Act of 2011 and its regulations.

Study findings revealed that stakeholders' engagement on public procurement training and development may upsurge stakeholders' compliance with Public Procurement Act of 2011 and its regulations. This was shown by 56 percent of the respondents who were in agreement with the proposition.

Majority of the respondents, 64 percent were of the opinion that establishment objectives for Public Procurement Act of 2011 and its regulations compliance would ensure effective stakeholders' compliance with Public Procurement Act of 2011 and its regulations.

This study further revealed Enhance transparency to curb corruption may enhance stakeholders' compliance with Public Procurement Act of 2011 and its regulations; this was shown by 51.3 percent of the respondents who agreed to this statement.

Table 4.6: Measures for effective stakeholders' compliance

Measures for effective stakeholders' compliance	Weighted Mean
Reward stakeholders who fully adhere Public Procurement Act and its regulations accordingly	4.26
Disciplinary measure for stakeholders who fail to adhere Public Procurement Act and regulations	3.93
Set incentives for complying with Public Procurement Act and regulations	4.28
Address stakeholders problems concerning Public Procurement Act and its regulations	4.13
Stakeholders engagement on public procurement training and development	4.28
Establish objectives for Public Procurement Act of 2011 and its regulations compliance	3.21
Enhance transparency to curb corruption	3.24

Source: Field Data, 2019

Measures for effective stakeholders' compliance	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
	F	%	F	%	F	%	F	%	F	%
Reward stakeholders who fully adhere PPA and its regulations accordingly	0	0	0	0	10	20	30	60	10	20
Disciplinary measure for stakeholders who fail to adhere PPA and regulations	5	10	1	2	9	18	15	30	20	40
Set incentives for complying with PPA and regulations	0	0	6	12	13	26	14	28	17	34
Address stakeholders problems concerning PPA and its regulations	12	24	0	0	9	18	29	58	0	0
Stakeholders engagement on public procurement training and development	4	8	8	16	10	20	28	56	0	0
Establish objectives for PPA of 2011 and its regulations compliance	0	0	3	6	14	28	24	48	9	18
Enhance transparency to curb corruption	2	4	2	4	3	6	26	52	17	34

Source: Field Data, 2019

Correlation and Regression Analysis

Correlation Analysis

Correlation method was used to test relationship between variables, the association of both independent variable and dependent variable were tested in order to assess whether the study objectives were achieved and the relations are stated below are met.

Table 4.7: Correlations

Correlations					
		Factors	Challenges	Measures	Compliance
Factors	Pearson Correlation	1	.873**	.956**	.637*
	Sig. (2-tailed)		.000	.000	.034
	N	50	50	50	50
Challenges	Pearson Correlation	.873**	1	.868**	.790**
	Sig. (2-tailed)	.000		.000	.000
	N	50	50	50	50

Measures	Pearson Correlation	.956**	.868**	1	.680*
	Sig. (2-tailed)	.000	.000		.012
	N	50	50	50	50
Compliance	Pearson Correlation	.637*	.790**	.680*	1
	Sig. (2-tailed)	.034	.000	.012	
	N	50	50	50	50
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					

Source: Field Data, 2019

Findings shown in Table 4.7 indicate that Factors has a positive moderate significant relationship with Compliance with Public Procurement Act of 2011 and its regulations with a coefficient of 0.637. Challenges have a positive moderate significant relationship with Compliance with Public Procurement Act of 2011 and its regulations with a coefficient of 0.790. Measures also have a positive moderate significant relationship with Compliance with a coefficient of 0.680. The correlations are significant at the 0.01 level. The above results imply that all independent variables have a positive significant relationship with Compliance with Public Procurement Act of 2011 and its regulations.

Regression Analysis

Coefficient of determination (r^2) in the model summary explains 31.8% of the independent variables. This implies that independent variables under *Factors, Challenges, and Measures*, explain only 31.8 % that affecting stakeholders’ compliance with Public Procurement Act of 2011 and its regulations. The coefficient of determination is not very significant because 68.2% of variations are brought about by characteristics not captured in the independent variables.

Table 4.8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.564 ^a	.318	.282	2.73353	.318	8.867	3	57	.000

a. Predictors: (Constant), Measures, Factors, Challenges

Source: Field Data, 2019

Table 4.9 is a summary of the Analysis of the Variance. The significant (p-value) at 5% level of significance and 95% of confidence level was 0.000. As is illustrated in the table, thus the model is statistically significant and the assumption which states that at 5% level of significance and 95% confidence level, the significance value (P-value) in the ANOVA should be P, 0.000-0.05 was held.

Table 4.9: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	198.772	3	66.257	8.867	.000 ^b
	Residual	425.916	57	7.472		
	Total	624.688	60			
a. Dependent Variable: Compliance with PPA of 2011 and its regulations						
b. Predictors: (Constant), Measures, Factors, Challenges						

Source: Field Data, 2019

Table 4.10 explains the overall relationship between the independent variables and the dependent variable and the significance of each relationship. The table depicts that Factors and Measures are prominent in Stakeholders' compliance with Public Procurement Act of 2011 and its regulations.

Table 4.10: Coefficients

Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	22.918	4.059		5.647	.000
	Factors	.181	.101	.247	1.789	.049
	Challenges	.109	.103	.171	1.056	.025
	Measures	.196	.108	.257	1.811	.045
a. Dependent Variable: Compliance with Public Procurement Act of 2011 and its regulations						

Source: Field Data, 2019

Using the results above, we have the regression equation as:

$$(Y = \beta + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \alpha)$$

$$Y = 22.918 + 0.181X_1 + 0.109X_2 + 0.196X_3 + 4.059\alpha$$

Whereby Y = Compliance with Public Procurement Act of 2011 and its regulations.

X₁ = Factors

X₂ = Challenges

X₃ = Measures

According to the regression equation established, taking all factors into account with constant at zero, outcomes will be 22.918. The data analyzed also show that organization Compliance is greatly contributed Factors, Challenges and Measures for effective stakeholders' compliance with Public Procurement Act of 2011 and its regulations. Taking all other independent variables at zero, Factors increases effectiveness of Stakeholders' Compliance with Public Procurement Act of 2011 and its regulations by 0.181. While Challenges will result in 0.109 increases in effectiveness in Compliance and Measures will result in a 0.196 increase in effectiveness in Stakeholders' Compliance with Public Procurement Act of 2011 and its regulations.

V. DISCUSSION

Factors affecting stakeholders' compliance

Study findings revealed that majority of respondents agreed that laws and regulations are among factors that affect the stakeholders' compliance. Laws and regulations enforcement to users particularly procurement Actors were the major contributing factor for the stakeholders to comply with Public procurement. This is in line with Mamuya et al, (2015) on their study found the same findings, but the findings were contrary with the study conducted by Abukari, (2014) who argued that presence of laws and regulations is nothing towards stakeholders' compliance with Public Procurement Act because of the challenge related to contradiction of the law itself. Preparation of procurement proceedings especially in designing stage is very important hence worthy considered. The study findings revealed that preparation of procurement proceedings especially in designing stage impact stakeholders' compliance with PPA of 2011 and its regulations.

While examining the factors, it is important to note that public procurement is performed through a logical flow of activities and predetermined time limits (work plan) all of which have got cost implications. The performance of each activity is largely influenced by time management and competence of the Procurement Entity staff involved in Procurement Planning, Budget Confirmation and Allocation, Solicitation of Bids, Bids Evaluation and Contract Award and Management which are major components of the process (Mlinga, 2015). Different scholars considered dependence on funds from donors and unreliable source of income leads to poor implementation of procurement deeds and regulations. Reliable flow of funds influences the stakeholders' compliance in procurement process (Doe, 2015). This correspond with findings of this study where by majority of respondents agreed that flow of funds impact the stakeholders' compliance with PPA of 2011 and its regulations. The study findings also uncovered that competence and commitment of suppliers/contractors have influence acquiescence of stakeholders with PPA of 2011 and its regulations. This means that by having competent and committed undertaking of Public Procurement process and its regulations would not be an issue. Study findings unveiled that majority of the respondents stated that staff training influence the stakeholders' compliance with PPA 2011 and its regulations. These findings support findings of Oliva et al., (2016) who found that availability of training for staff in government procurement activities facilitate and enhance stakeholders' way of dealing with public procurement activities.

ICT in public procurement is intended to serve a number of objectives which include: Broadening participation in public tendering, To speed up the procurement process and make it more efficient by expanding supply and demand; and to provide transparency in public procurement by reviewing established procedures and public information, and by developing an easy auditing system. Similarly, study findings of this study showed that the majority of respondents agreed that the Information and Communication Technology affect the stakeholders' compliance with PPA of 2011 and its regulations. Njeru, (2015) conducted study on the factors affecting effective Implementation of Procurement Practices. The objective of the study was to

determine factors affecting effective implementation of public procurement practices. Findings revealed that the top management support was the major factors that mostly affected effective implementation of procurement practices. In this study, researcher revealed that majority of respondents asserted that top management support has something to do with stakeholders' compliance with PPA of 2011 and its regulations. An organization with a genuine commitment to legal compliance is evidenced by top management's dedication to ethical corporate behavior (Krawiec, 2016). As cited in Heneghan and O'Donnell, (2017), a compliance culture in an organization must start in the boardroom and should be reflected and evidenced in directors' own behaviors and attitudes. In a related argument, Obanda, (2015) stipulated that strong institutional support at top levels of government is needed by procurement personnel in order to promote integrity, monitor the public procurement process and apply procurement law appropriately.

Challenges facing stakeholders' in complying with PPA and its regulations

Manyanya, (2018) conducted a study on challenges in implementation of PPA procedures in Public Institutions. Findings revealed lack of procurement knowledge, inadequacy of funds (highly dependency from donors) and improper positioning of Procurement Management Unit (PMU) were the most salient factors that hindered application of PPA procedures. The study revealed that respondents felt that the inadequate training of procurement staff is among challenge encounter stakeholders' in complying with PPA of 2011 and its regulations. Untrained staffs that lack the full range of procurement planning and implementation skills and experience were in charge of the procurement functions. This supports the assertion by Kwagbenu (2016) that procurement staffs lack range of skills and expertise require to handle the full complement of procurement function within public entities, and departmental heads.

Section 31 (5) of PPA of 2011 requires the PEs to appoint members of Tender board based on their technical competences to discharge procurement function, also section 37 (2) insists to have PMU with procurement other technical specialists with technical staff. Moreover, section 39 (1) (c) and (d) requires to have competent and qualified staff from procuring departments who will manage to prepare technical specifications, drawings, Bill of quantities and Terms of reference to PMU for procurement activities. Majority of the respondents asserted that lack and poor use of technical Experts for preparation of Procurement Proceedings especially in designing stage is among challenges facing stakeholders' in complying with PPA of 2011 and its regulations. Despite the presence of a good number of procurement Actors within and even out of the organizations', still there is poor use of those experts due to personal interest among actors and other factors like political influences, this leads to poor implementation PPA.

Preparation of proper and comprehensive procurement legal framework demands that those undertaking the work possess a combination of good legal skills and sustainable knowledge of good procurement practices and procedures including related institutional issues (Hunja, 2015). However, the study revealed that lack of knowledge is a challenge to stakeholders in complying with PPA and its regulations. This study unveiled that

lack of incentives to follow proper procedures, caused by weak monitoring and enforcement. This is in line with Velnampy, (2017) who asserted that some challenges facing the procurement process include; Hostility to procurement controls, the unique reliance on private contractors to provide support on their processes, lack of incentives to follow proper procedures, inadequate insistence and monitoring of contractor performance and increased toleration of conflicts of interest.

Researcher discovered that delayed orientation in key stakeholders in new procurement reforms/ laws to Tender and Review Board members, procurement staff and services providers is among challenges facing stakeholders' in complying with PPA of 2011 and its regulations. Orientation and training should be providing before and after implementation of the new procurement reform. By doing to it will increase awareness and understanding of the legal framework hence improve stakeholders' compliance with procurement regulation.

The stakeholders' compliance with PPA and its regulations has been challenged by lack of funds, lack of technical capacity, poor planning and lack of sufficient involvement of experts (Bashuna, 2013). The researcher discovered that delays in establishing full time operational Procurement Units with the full complement of staff and inadequate/lack of funding to execute procurement activities as well as failure to attract qualified and competent service providers at the local level are challenges facing stakeholders' in complying with PPA and its regulations. From the findings, the majority of the respondents agreed that Illiteracy and inadequate contract management skills among some service providers. The inadequacy in contract management skills leads to increased costs, delay in completion and non-completion of procurement process and contracts.

Corruption is the dishonest behavior by those in positions of power, such as managers or government officials. In this study, Researcher discovered that accusation of conflict of interest, bribery and corruption in some procurement processes defy stakeholders' in complying with PPA of 2011 and its regulations by seventy four percent. Transparency and accountability have been recognized as key conditions for promoting integrity and preventing corruption in public procurement. However, they must be balanced with other good governance imperatives, such as ensuring an efficient management of public resources "administrative efficiency" or providing guarantees for fair competition. In order to ensure stakeholders' compliance with PPA decision makers need to define an appropriate degree of transparency and accountability to reduce corruption and risks to integrity in public procurement while pursuing other aims of public procurement (OECD, 2017).

Poor planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of the skills of staff responsible for procurement is featuring as one of the major setbacks in public procurement. According to Kirungu (2010) though procurement planning is legal requirement, lack of it is still a major cause of inefficiencies which has led to end-of year artificial emergency procurements, failure to absorb allocated funds and application of inappropriate procurement methods circumvention of legal & regulatory procedures. Also, Public Procurement forestalling the challenge by issuance of mandatory procurement planning circular and enhanced surveillance through

procurement assessments and reviews. The study finding depicted that inadequate capacity in effective procurement planning confront stakeholders' in complying with PPA of 2011 and its regulations. Procurement planning effort will succeed only with the complete commitment and involvement of top management, along with appropriate personnel that have a stake. The consequences of poor or lack of procurement planning can never therefore be amusing (Lary, 2016).

Measures for effective stakeholders' compliance

This study revealed that the rewarding stakeholders who fully adhere Public Procurement Act and its regulations accordingly influence effective stakeholders' compliance with Public Procurement Act of 2011 and its regulations. By providing reward to stakeholders who fully comply public procurement process and regulations would make them happier and provide encouragement as well as give them something to aim for. According to Ben, (2015) Disciplinary action may come in the form of a verbal or written reprimand or the loss of employee privileges. Employer disciplinary action is a response by the employer to problems with employee performance or behavior. The purpose of disciplinary action is to correct behavior and document issues. Majority of the respondents were of the opinion that disciplinary measure for stakeholders who fail to adhere Public Procurement Act and regulations should be put in place. Professional board like PSPTB should stress to ensure that those who are employed and engaged in the position public procurement should abide to the legal procedure in procurement process.

Incentive plans are tools used by owners to encourage, recognize and reward exceptional performance in their employees. Incentive plans typically surpass standard salary and benefit agreements and usually are given in the form of cash bonuses, extra paid vacation days or gift items of non-monetary value. Majority of respondents said that by setting incentives for complying with Public Procurement Act and regulations would ensure effective stakeholders' compliance with Public Procurement Act of 2011 and its regulations.

Public entities must ensure that suitable candidates are employed on the basis of merit and placed in their relevant qualifications, skills, and experience with their roles and responsibilities clearly defined to avoid role conflicts with other professions and department. The procurement officers must be trained and aware about all regulations in relation to procurement and related procedures (Hui et al 2011). Study findings revealed that stakeholders' engagement on public procurement training and development may upsurge stakeholders' compliance with Public Procurement Act of 2011 and its regulations. According to Rossi (2010), compliance with the formal elements gives an indication of knowledge of the rules. Gelderman et al; (2006) maintained that through training, public procurement actors will comply with the rules if they learn them well.

From the discussion it has been noted that there is huge corruption in procurement, researcher recommends that procurement professionals need to increase room for transparency, by doing so corruption will be eliminated automatically. Mally, (2016) said by providing clearly procedures and directions of procurement process that enhance transparency, like advertising, openness during opening the

tender, evaluation of the tender and awarding will reduce corruption. This is in line with findings of this study where by researcher revealed that by enhancing transparency to curb corruption will improve stakeholders' compliance with Public Procurement Act of 2011 and its regulations.

VI. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Summary of Findings

The first objective was to examine factors affecting stakeholders' compliance with PPA of 2011 and its regulations. The findings revealed that majority of respondents agreed that laws and regulations and preparation of Procurement proceedings especially in designing stage impact stakeholders' compliance with PPA of 2011 and its regulations. Study findings revealed that respondents agreed that flow of funds and competence and commitment of suppliers/contractors have influence acquiescence of stakeholders with PPA of 2011 and its regulations. Also, study findings unveiled that 74 percent of the respondents stated that staff training influence the stakeholders' compliance with PPA 2011 and its regulations. Researcher discovered that majority of respondents agreed that the Information and Communication and top management support has something to do with stakeholders' compliance with PPA of 2011 and its regulations. By having efficient management which has effective preventive mechanisms promotes transparency and accountability for stakeholders' compliance with PPA of 2011 and its regulations. Moreover, the study findings revealed that with weighted mean of 4.20 majorities of respondents (48 percent) felt that the internal process affects the stakeholders' compliance with PPA of 2011 and its regulations.

The second objective to disclosed major challenges facing stakeholders' in complying with PPA of 2011 and its regulations. The study revealed majority of the respondents felt that the inadequate training of procurement staff and lack and poor use of technical Experts for preparation of Procurement Proceedings especially in designing stage is among challenges facing stakeholders' in complying with PPA of 2011 and its regulations. The study revealed that lack of knowledge and lack of incentives to follow proper procedures, caused by weak monitoring and enforcement are among challenges facing stakeholders' in complying with PPA of 2011 and its regulations.

Respondents agreed that the delays in establishing full time operational Procurement Units with the full complement of staff, inadequate of funding to execute procurement activities and failure to attract qualified and competent service providers at the local level as well as illiteracy and inadequate contract management skills among some service providers defy stakeholders' in complying with PPA of 2011 and its regulations. Either respondent agreed that accusation of conflict of interest, bribery and corruption in some procurement processes defy stakeholders' in complying with PPA of 2011 and its regulations. The fight against corruption in public procurement should be intensified by more collaborative initiatives among key stakeholders. Effective control and review systems and measures increase transparency and play an important role in preventing corruption in public procurement. Warning systems and effective

sanctioning systems should be included in a good public procurement system that effectively fights corruption.

The third objective sought to unveil the possible measures for effective stakeholders' compliance with Public Procurement Act of 2011 and its regulations. This study revealed that the Reward stakeholders who fully adhere Public Procurement Act and its regulations accordingly influence effective stakeholders' compliance with Public Procurement Act of 2011 and its regulations. About 70 percent of the respondents were of the opinion that disciplinary measure for stakeholders who fail to adhere Public Procurement Act and regulations should be put in place. Majority of respondents said that by setting incentives and by addressing stakeholder's problems concerning Public Procurement Act and its regulations would ensure effective stakeholders' compliance with Public Procurement Act and its regulations. Study findings revealed that stakeholders' engagement on public procurement training and development as well as establishment objectives for Public Procurement Act of 2011 and its regulations compliance would ensure effective stakeholders' compliance with Public Procurement Act and its regulations. The study further revealed that providing follow-up action of deficiencies in Public Procurement Act of 2011 and its regulations compliance may enhance stakeholders' compliance with Public Procurement Act of 2011 and its regulations.

Conclusion

Based on the study findings we can conclude that stakeholders' compliance with Public Procurement Act of 2011 and its regulations in Tanzania Local Government Authorities significantly affected by numerous factors as revealed by the study findings. Flow of funds, competence and commitment of suppliers/contractors, staff training, and information and communication technology, top management support and internal processes were rated as the key factor affecting stakeholders in complying with Public Procurement Act of 2011 and its regulations in Tanzania Local Government Authorities to a great extent. Inadequate training of procurement staff, Lack and poor use of technical Experts for preparation of Procurement Proceedings especially in designing stage, Lack of knowledge of legal framework caused by poor dissemination of the Procurement Act and Regulation. Also, Lack of incentives to follow proper procedures, Illiteracy and inadequate contract management skills among some service providers and Accusation of conflict of interest, bribery and corruption in some procurement processes were rated as major challenges facing stakeholders' in complying with PPA of 2011 and its regulations. However, addressing stakeholder's problems concerning Public Procurement Act and its regulations, stakeholder's engagement on public procurement training and development, establishing objectives for Public Procurement Act of 2011 and its regulations compliance and enhancing transparency to curb corruption were rated as possible measures for effective stakeholders' compliance with Public Procurement Act of 2011 and its regulations. This conclusion is supported by both the descriptive and inferential statistics as indicated. With due regard to the ever increasing desire to have high compliance with public procurement Act of 2011 and its regulations in Tanzania, there is need to invest in various strategies. This therefore calls upon the management of various government ministries to come up with a procurement

policy which outlines the strategies and guidelines of applying the same effectively in the Tanzania Local Government Authorities. This should be done in a manner in which all the stakeholders are happy. This ensures that they are acceptable, accessible, ethically sound, have a positive perceived impact, relevant, appropriate, innovative, efficient, sustainable and replicable.

Recommendations

Recommendations for Action

Based on the research findings it is therefore recommended that there were some suggestion and improvement to be done to improve stakeholders' compliance with PPA and its regulations based on the findings of the study:

- i. All Local Government Authorities at least in Tanzania if not the whole of Africa share common characteristics. We do recommend to Local Government Authorities to make sure that public money is spent in accordance to the planned activities. Local Government Authorities need to avoid corruptions, nepotism and personal gain of individual employees and managers. Adherence to the law and principles will guarantee success in procurement process and hence good governance.
- ii. It is important for the procurement department to involve the users as they are carrying out their procurement process. User sensitization in the procurement process enables them to know the challenges faced as the procurement process is being carried out therefore they are in a position to make alternative decisions.
- iii. Top management support is crucial in the procurement process as it ensures that there is smooth flow of the procurement process and that training for the right stakeholders is done. Therefore the top management of organizations should be informed on the importance of ensuring that the procurement process is conducted successfully and their part in ensuring that it is done successfully.
- iv. Stakeholder interaction enables the exchange of ideas and promotes team building. This ensures that there is continuous improvement of the procurement process due to the smooth flow of information. Therefore all stakeholders should be made aware of their importance in carrying out the procurement process.

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