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Abstract
The Public Procurement Regulatory Authority report of 2018 revealed that 33% of procurement contract in 30 PEs including Ministry of Finance and Planning were delayed in implementation. Most of the delays are due to lack of effective communication, inaccurate information and lack of individual capacity to supervise and manage contracts. This study aimed at examining the effect of contract management practices on the procurement performance. Specifically, the study, intended to examine the effect of contract administration on procurement performance at the Ministry of Finance and Planning. The study employed a sample of 81 respondents from the Ministry of Finance and Planning. Methods used in Data collection included interview and questionnaire. Qualitative data were analyzed using thematic analysis while quantitative data analysis was done using descriptive statistics and multiple regression analysis. Findings revealed that, contract administration were positively and significant related to procurement performance. Therefore, the implication of this study directed the Ministry of Finance and Planning to improve contract administration practices, such as controls and manages contract changes, timely contractor payment, adherence to contract terms, updating records of contract implementation and professional consideration when appointing contract supervisors so as to boost their procurement performance.

Key words: Contract, management, contract administration, procurement, performance, public procurement entities, Ministry of Finance and Planning

Introduction
Public Procurement is increasingly drawing attention among governments and public funded entities towards acquisition of good and services on behalf of governments (Czarnitzki Hünermund & Moshgbar, 2020). Globally, Public procurement contract comprises more than 20 percent of government expenditure. In most of the developing countries, public procurement is more devastated, for example Tanzania government comprises high proportion of expenditure that amounted to 30.1 percent of collected revenue during the financial year 2017/2018. This indicates that public procurement is vital government function that worth to be controlled for the affair of the economy (Dello, & Yoshida, 2017). Effective and efficient execution in the supply of products and services contracted out is a need for contract management. An organization may achieve VFM (value for money) while providing services to a specified population by using this method (Delmon, 2017). Contract management focuses on the operations that take place following the award of the contract throughout its implementation. Procurement management efficiency relies on the actions carried out at the choice of contract type and contractor selection stage (World Bank, 2018). Contract management is helpful in procuring since it is concerned with delivering high-quality services while also saving money and allowing suppliers to be more flexible (Cho and Pucick, 2015).

For the public sector to succeed in contracts entered the framework guidelines for the procurement policy should be in place. The specific attempt in the public to manage its procurement activity is to establish efficient contract management. In Tanzania contract management stage was regarded as the separate process to procurement functions performed by non-procurement professionals. This is the decision reached in the procurement laws towards awarding contract to bidders (Basheka, 2017). The performance report for the year 2018/19 specifically reviewed the concerns of contract implementation. The reports from 19 Procuring entities (PEs) including Ministry of Finance and Planning which is equal to 58% of the PEs that presented the internal audit reports indicated assorted weaknesses which include; contract implementation reports were not prepared by the contract supervisors, some of the contracts amended exceeded 15% of contracts amount without getting approvals of the respective budget approving authorities which is contrary to Regulation 61 (4) that directs that each contract amendments above 15% should obtain approval of the respective budget approving authority (URT, 2019). It is important to...
undertake this study to address the effect of contract management practices on the procurement performance in public procuring entities in Tanzania.

**Statement of the Problem**

Contract management is necessary in attaining value for money by ensuring fair procurement participation and adopting a competitive method in the use of public resource. The allocation of resources for the public affairs has to consider the efficient and effective process to assure achievement of value for money during contract management (Schooner, 2017). Based on effective contracts management which ensured procurement performance in public sector, the government of Tanzania under the Public Procurement Act (PPA) 2011 requires each procuring entity to adhere to contract terms and conditions by ensuring that the duties and obligations imposed by the contract are fully adhered to (Mchopa, 2015). Most PEs in Tanzania have a concern in managing contracts towards award of contract. According to PPRA report (2018), it was revealed that 33% of procurement contract found that 30 PEs including Ministry of Finance and Planning were delayed in the implementation as per the terms of the contract due to lack of effective communication, inaccurate information and lack of individual capacity to process large information as grounded in the transaction cost theory (Mrope, 2018).

Similarly, in Ministry of Finance and Planning as reported in PPRA report of financial year 2019/2020 revealed that due to improper contract management in the financial year 2019/20 contracts amounting to TZS 2.1 billion and 421 million were delayed to be implemented and terminated respectively (URT, 2020). Different research has been conducted and published on Tanzanian public entity procurement function performance, hence most public entities have poor and inefficient procurement function performance (Kechibi, 2012). According to Mwakyelu (2019), despite the fact that contract management is a key concern in the public procurement process, it has gotten relatively little attention from PPA and procurement scholars. Therefore, in this regard, the study aims to address the effect of contract management practice specifically on contract administration on the procurement performance in public procuring entities in Tanzania using Ministry of Finance and Planning as relevance case.

**Relevant Studies**

Study on Factors Affecting Contract Management in Construction Industry was done by Kanchana et al (2018). If the contract monitoring components are properly handled, the chances of company success and successful service delivery are greatly increased, according to the findings of the research study. The research focused on characteristics that impact contract management, but it did not make a connection between these aspects and procurement performance. In addition, the research was concentrated on the building business. Sarkar (2015) did a study on Contract Management Practice based on the acquisition of goods in Bangladesh and discovered that the overall Contract Management practice lacks a commitment to achieving the greatest value for money. Despite that, there was no connection made between contract management and public procurement performance in this study.

Using data from a study done by Mchopa (2015), the author discovered that efficient contract management procedures are essential to achieving value for money in Tanzanian contracts for procurement of products, services and works. Tanzania public procurement, on the other hand, does not clearly identify the methods of contract management used. The study conducted at MIC-Tanzania on the procurement contract management's role in improving the efficiency of project management by Amour (2014), the findings revealed that, contractors must comply with contract terms and conditions, have technical competency, and be monitored under contract to ensure project management is carried out as agreed. Conclusions drawn by the author include the following: inadequate contractor management staff, disputes resulting from late deliveries by suppliers, poor quality of work/services, vague specifications, technical incapability of suppliers, and a lack of focus on making the contract readily available to other stakeholders. Lack of effective technical review and KPI monitoring was also cited. After the project was completed, a supplier delivery performance report was prepared, and a case firm should develop an automated contract management system. These were some of the recommendations made by the research. This research was done in Tanzania by the private sector, not the government.
Methodology

Research Design
The study used cross-sectional research design. This was appropriated for the study because it enabled the researcher to collect data in one point of time to draw a conclusion.

Population of the Study
The population of this study was 102 members’ deals with contract managements these are procurement management unit, Tender Board, Legal Department, project managers, heads of user departments and Accounts and Finance unit from the Ministry of Finance and Planning responsible for supervision of various contracts entered at the Ministry.

Sampling Procedure
This study adopted purposive sampling procedure to select relevant respondents. Since contract management practices on the procurement performance in public procuring entities is a technical issue, purposive sampling helped in selecting procurement officers, representative of financial information management system, representative from administration and human resource management, representative from government budget division and representative from information and Communication Technology, with technical knowledge and experience on tender documents quality, contractors’ selection process, contract management plan and the level of performance in Ministry of Finance and Planning. The respondents here were selected purposively to meet the need for this study.

Stratified proportional sampling technique was used in selecting supplies officers from each department/unit. These sampling techniques respondents were divided into strata such as departments or units and in each department the supplies officer were selected.

Sample Size
The sample size for this study was determined by the formulae given by Krejcie and Dell (2002) as presented below

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

Whereby:
- \( n \) = Sample size
- \( N \) = Total Population
- \( e \) = Precision error which equals to 5%

\[ n = \frac{102}{1+102(0.05)^2} \]

Thus, the sample size comprised 81 respondents. To determine sample size of respondent in each department proportional sample size was applied (See Table 1)

<table>
<thead>
<tr>
<th>Departments/unit</th>
<th>Population</th>
<th>Proportionate Sample</th>
<th>Sample size per Departments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement Management Unit</td>
<td>17</td>
<td>17/102 x 81</td>
<td>13</td>
</tr>
<tr>
<td>Legal unit</td>
<td>12</td>
<td>12/102 x 81</td>
<td>10</td>
</tr>
<tr>
<td>Tender board</td>
<td>7</td>
<td>7/102 x 81</td>
<td>6</td>
</tr>
<tr>
<td>Project manager</td>
<td>15</td>
<td>15/102 x 81</td>
<td>12</td>
</tr>
<tr>
<td>User department</td>
<td>21</td>
<td>21/102 x 81</td>
<td>17</td>
</tr>
<tr>
<td>Accounts and Finance</td>
<td>30</td>
<td>30/102 x 81</td>
<td>23</td>
</tr>
</tbody>
</table>
Data Analysis Technique
The study collected both qualitative and quantitative data. The qualitative data were analyzed using content analysis. During analysis data was summarized and transcribed into themes to get useful information. The developed theme was compared with the relevant theories and literature to get a well narrated statement.

Quantitative data was analyzed by using descriptive and inferential statistics methods. Descriptive statistics methods were involved in computations of frequency, percentage, mean and standard deviations. Inferential statistics methods were used in relation to correlation analysis and multiple linear regression analysis to test the relationship between the five independent variables and the dependent variable. The model was treated contract management measured by contract administration as independent variable and procurement performance was dependent variables. The Multiple Linear Regression Equation is presented below:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \]  

\( \beta_0 = \) constant coefficient  
\( Y = \) Procurement performance (Timely Service Delivery)  
\( X_1 = \) Contract changes are controlled and managed by the organization  
\( X_2 = \) The organization guarantees that the contractor is paid on time  
\( X_3 = \) The organization has assured that the contract terms and provisions are followed  
\( X_4 = \) The organization keeps up-to-date records of contract implementation  
\( X_5 = \) Contract supervisors with relevant qualifications, knowledge, and skills are appointed by the organization  
\( \varepsilon = \) Error term

Results and Discussion
The Effect of Contract Administration on Procurement Performance
The study used multiple linear regression analysis to obtain the Procurement Performance and five Contract Administration such as Contract changes are controlled and managed by the organization, the organization guarantees that the contractor is paid on time, the organization has assured that the contract terms and provisions are followed, the organization keeps up-to-date records of contract implementation, contract supervisors with relevant qualifications, knowledge, and skills are appointed by the organization. The Multiple Linear Regression Equation is presented below:

\[ Y = \beta_0 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \]  

\( \beta_0 = \) constant coefficient  
\( Y = \) Procurement performance (Timely Service Delivery)  
\( X_2 = \) The organization guarantees that the contractor is paid on time  
\( X_3 = \) The organization has assured that the contract terms and provisions are followed  
\( \varepsilon = \) Error term

Model Summary
The regression analysis was carried out the coefficient R, the value of R is .871 which show there is a strong relationship between variables studied.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.871</td>
<td>0.759</td>
<td>0.743</td>
<td>.07910</td>
</tr>
</tbody>
</table>

Table 2 showed the adjusted coefficient of determination \( R^2 \) is 0.759 which depicted existence of variation of 75.9% in the procurement performance due to Contract Administration practise by ensuring that Contract changes are controlled and managed by the organization, the organization guarantees that the contractor is paid on time, the organization has assured that the contract terms and provisions are followed, the organization keeps up-to-date records of contract implementation, contract supervisors with relevant qualifications, knowledge, and skills are appointed by the organization. This show the explanatory power or the goodness of fit of the research model where most of the variance is indicated leaving only a small percentage unexplained. In Table 2 about 75.9% of the variance in procurement performance is explained. This evidence was enough in supporting a relationship between variables.
**Analysis of Variance**

The analysis of variance, for the purpose of showing the effect of contract administration on Procurement Performance.

### Table 3: Analysis of Variance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1.481</td>
<td>5</td>
<td>0.296</td>
<td>47.345</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>0.469</td>
<td>75</td>
<td>0.006</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1.951</td>
<td>80</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Findings in Table 3 showed the significant level is .000². This implies that regression model is significant in predicting the effect of contract administration on Procurement Performance. By using the relevant F-test, the tabulated value for F (5.5% and 75) which is less than 47.345, meaning that the model was statistically significant in predicting the effect of contract administration on procurement performance.

### Table 4: Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td>3.489</td>
<td>0.001</td>
</tr>
<tr>
<td>Contract changes are controlled and managed by the organization</td>
<td>-0.046</td>
<td>-0.140</td>
<td>-1.894</td>
<td>0.062</td>
</tr>
<tr>
<td>The organization guarantees that the contractor is paid on time</td>
<td>0.498</td>
<td>0.606</td>
<td>8.616</td>
<td>.000</td>
</tr>
<tr>
<td>The organization has assured that the contract terms and provisions are followed</td>
<td>0.244</td>
<td>0.341</td>
<td>4.364</td>
<td>0.000</td>
</tr>
<tr>
<td>The organization keeps up-to-date records of contract implementation</td>
<td>0.033</td>
<td>0.105</td>
<td>1.569</td>
<td>0.121</td>
</tr>
<tr>
<td>Contract supervisors with relevant qualifications, knowledge, and skills are appointed by the organization</td>
<td>0.052</td>
<td>0.118</td>
<td>1.415</td>
<td>0.161</td>
</tr>
</tbody>
</table>

Dependent Variable: Procurement Performance (Timely Service Delivery)

From the equation taking the organization guarantees that the contractor is paid on time and the organization has assured that the contract terms and provisions are followed constant at zero are significant at .000 and .000 respectively, this shows that paying contractors in time and adherence to contract terms can positively predict procurement performance.

The above results indicating that majority of the respondents agreed on contract administration having an impact on procurement performance. The findings agree with Kinyanjui *et al.*, (2015) that using contract administration strategy as contract management practice is a smart step that can reduce expenses significantly. Similarly, the study findings relate Rotich (2014) who argue that appropriate contract administration comprises keeping an up-to-date form of the contract; controlling and managing contract...
variations; paying the contractor on time; generating reports on a regular basis, and properly managing assets.

Finding supported by one Key Informants who add the following information about the steps taken in contract administration;

“...The contract administration in our organization involve contract supervisor appointment, control and manage changes associated with the contract and defect detection....” (In depth interview, respondents from PMU department, 18th May, 2021).

Conclusions, Implication and the Area for Further Research

Conclusion
Contract administration is found to have a considerable effect on procurement performance, according to the study's findings. This indicated that contract administration was a critical component of contract management practice in terms of procurement performance. As a result, boosting contract administration levels would improve procurement performance at the Ministry of Finance and Planning.

Implication
The study has implication to public organizations on improvement of contract administration by ensuring that contractors are timely paid, appointment of contract supervisors with relevant qualifications, skills and knowledge, contract terms are adhered to and changes regarding the contract are done in line with the prescribed guidelines. Also public sectors are advised to establish and maintain positive relationships with contractors and suppliers in order to preserve contract management and mutual confidence between the contractor, suppliers, and public entities. There is a need to improve frequent contact with the contractor as well as the prompt handling of any contract issues.

Area for Further Research
The findings in this study are based on the information collected on one public entity i.e Ministry of Finance and Planning. There are other public entities in Tanzania that have not been covered in this study. Therefore, this study provides opportunities to potential researchers and scholars to explore more in the contract management practices to get a full picture of contract management in the uncovered areas.

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