

RELATIONSHIP BETWEEN PROCUREMENT CONTRACT PRICING, PROCUREMENT CONTRACT PAYMENT TERMS AND SOCIAL SERVICE DELIVERY IN KIBAALE DISTRICT. A CROSS-SECTIONAL STUDY.

Dennis Kajuma*, Muhammad Ssendagi
School of Graduate Studies and Research, Team University

Page | 1

Abstract Background

The relationship between local governments, contract management, and social service delivery has undergone significant transformations over the years. The study aims to assess the relationship between procurement contract pricing, procurement contract payment terms, and social service delivery in the Kibaale district.

Methodology

This study used a descriptive, correlational, and cross-sectional survey design covering a period of four years (2020 to 2023). The study population included staff at the Kibaale district local government, service providers in the Kibaale district, and members of the public.

Results

The correlation between Procurement Contract Pricing and Social Service Delivery was 0.463 with sig. 0.002 ($p < 0.05$). The correlation coefficient of 0.463 indicates a moderately strong positive correlation between procurement contract pricing and social service delivery at a significance level of 0.002 ($p < 0.05$). The correlation between Contract Payment Terms and Social Service Delivery is 0.797 with Significance (2-tailed): 0.001 ($p < 0.05$). The correlation coefficient of 0.797 indicates a strong positive correlation between contract payment terms and social service delivery. The significance level of 0.001 ($p < 0.05$) The coefficient for procurement contract pricing is 7.127, and The standardized coefficient (Beta) is 0.016, signifying the contribution of pricing to social service delivery. The coefficient for procurement contract payment terms is 6.561, suggesting that improved payment terms lead to a 6.561 unit increase in social service delivery. The standardized coefficient (Beta) is 0.013.

Conclusion

The relationship between procurement contract pricing and social service delivery is unlikely to have occurred by chance and efficient and well-managed payment terms were associated with improved social service delivery outcomes.

Recommendations

Kibaale District local government should implement measures to ensure transparency and fairness in procurement contract pricing, including clear guidelines, documentation, and oversight mechanisms.

Keywords: Procurement contract pricing, Procurement contract payment, social service delivery.

Submitted: 2024-06-01 **Accepted:** 2024-07-01

Corresponding Author: Dennis Kajuma*

Email: dkajuma1988@gmail.com

School of Graduate Studies and Research, Team University.

Background

The historical perspective of contract management and social service delivery in local governments can be traced back to the evolution of governance structures and the changing role of local authorities. The relationship between local governments, contract management, and social service delivery has undergone significant transformations over the years. In the early stages of local governance, social services were often provided informally through community-based initiatives and charity. Contracting for services was limited, and the focus was primarily on direct provision by local communities or philanthropic organizations (Warner, Aldag, & Kim, 2021). The 19th century witnessed the establishment and expansion of local governments with increased responsibilities for public services. Social service delivery became a formalized function of local

authorities, and direct provision by the government became more common (Dagilienė, Varaniūtė, & Bruneckienė, 2021). The world wars brought about a heightened awareness of the need for social services and the role of local governments in their delivery. Post-war, there was an increased focus on formalizing contracts with private entities to meet the growing demands for social services (Arantes, Zou, & Che, 2020).

In the latter half of the 20th century, there was a global trend towards privatization and outsourcing of public services, including social services. Local governments started entering into contracts with private firms and non-profit organizations to deliver specific social programs and services (Vogl, Seidelin, Ganesh, & Bright, 2020). The late 20th century and early 21st century brought attention to challenges associated with contract management, such as accountability, transparency, and the

need for effective oversight (Sibanda, Zindi, & Maramura, 2020). In Uganda, before colonization, local communities in Uganda often had informal systems for managing contracts and delivering social services. These systems were based on traditional norms and customs and generally revolved around collective responsibility and mutual support (Komakech, 2020). With the arrival of British colonial rule in the late 19th century, formal systems of governance and administration were introduced. This included the establishment of local government structures that were based on the British model. Contracts and social service delivery in local government began to be influenced by colonial laws and regulations (T. Nduhura, Nakalanzi, Baguma, & Nakajugo, 2022). Uganda gained independence in 1962, and this marked a period of transition in contract management and social service delivery. The government started to take on a more active role in these areas, and new policies and regulations were introduced to govern contracts and service delivery at the local government level (Adjabeng, 2021). Procurement contract management in local government involves the process of planning, procuring, negotiating, executing, and administering contracts with vendors, suppliers, and service providers that are essential for the efficient and effective functioning of local government services (Komakech, 2020). Effective contract management in local government is critical for ensuring accountability, transparency, and cost-effectiveness in the delivery of public services, infrastructure projects, and other government operations (Rasheli, 2016). It also requires adherence to ethical standards, risk management, and compliance with legal and regulatory requirements. Furthermore, utilizing technology and contract management systems can streamline and enhance the efficiency of the entire process (Walker & Andrews, 2013). The study aims to assess the relationship between procurement contract pricing, procurement contract payment terms, and social service delivery in the Kibaale district.

Methodology

Research design

This study used a descriptive, correlational, and cross-sectional survey design. The study was based on a mixed approach whereby both qualitative and quantitative

techniques were used to analyze the data to reach a logical conclusion about the findings. The quantitative technique provided a detailed numerical analysis of the research problem and investigated the relationship between the research variables, while the qualitative approach collected information on the attitudes and behaviors of the study elements.

Study setting

This study was carried out in Kibaale District. Kibaale District is bordered by Hoima District to the north, Kyankwanzi District to the north-east, Mubende District to the east, Kyegegwa District to the south-east, Kyenjojo District and Kabarole District to the south-west, and Ntoroko District to the west. The district headquarters at Kibaale is approximately 219 kilometers (136 mi), by road, west of Kampala, Uganda's capital and largest city. The coordinates of the district are 00°47'00.0"N, 31°05'00.0"E (Latitude: 0.783333; Longitude: 31.083333).

Time scope

The study covered a period of four years (2020 to 2023). The selected period provided sufficient documents with relevant information regarding procurement contract management and service delivery in the Kibaale district and other local governments.

Study population

The study population included staff at the Kibaale district local government, service providers in the Kibaale district, and members of the public (opinion leaders). A target population of 140 respondents was used as the study population and comprised of; 34 administrators, 5 members of the Contracts Committee (CC), 66 political leaders (councilors, District Executive Committee members, Local chairpersons at sub-counties), 24 service providers, and 11 opinion leaders.

Determination of sample size

A representative sample size of respondents from selected respondents was determined by using the table provided by Krejcie & Morgan R, (1970). A sample size of 103 participants was selected from a population as shown in Table 1

Table 1: Table for determining sample size techniques to be used for the study

Samples Category	Population Target	Sample Size	Selection Technique
Administrators	34	32	Simple random sampling
Members of Contracts Committee	05	05	Purposive sampling
Political leaders	66	37	Simple random sampling
Service providers (Pre-qualified service providers)	24	18	Purposive sampling
Opinion leaders	11	11	Purposive sampling
Total	140	103	

Source: Kibaale District Planning Department (2023)

Sampling techniques procedure

The study used a purposive sampling technique to select members of the contracts committee, service providers, and opinion leaders. Simple random sampling was used to select administrators and political leaders from Kibaale District Local Government. The researcher used purposive sampling because it ensured that only the useful respondents were selected and it also saved time. Simple random sampling was used to eliminate bias in selecting service providers and administrators.

Data sources

Data was selected from both primary and secondary sources as explained below.

Primary sources

Primary data was obtained by use of questionnaires and interview guides directly from the field by the researcher. This enabled the researcher to obtain in-depth information about the study topic.

Secondary sources

Secondary data was obtained from contract files, council minutes, procurement committee files, internet research, newspapers, and written literature by earlier scholars on the study topic.

Data collection instruments

Three research instruments were used in conducting the study. The instruments used to collect primary data were questionnaires and interview guides. The questionnaire was the main instrument and the interview guide was used to gain an in-depth understanding of the subject and the interface with the respondents. The documentary review was intended to obtain a framework for the interpretation of the findings to arrive at realistic conclusions and recommendations.

Questionnaires

Questionnaires were sent to respondents to obtain primary data. This made it more convenient and easier to collect data from respondents with busy schedules like administrators, Parish chiefs, Members of the procurement committee, and Service providers as they answered the questions during their leisure while consulting documents, the instruments also ensured a high response rate and elicited the required information on a wide range of issues on the effects of procurement contract processes on service delivery. Closed-ended questions using Likert scales were used to enhance the simplicity of straightforward questions. Open-ended questions on the other hand intended to permit a greater depth of response on specialized issues of the interview.

Documentary checklist

The study was conducted on a wide documentary review checklist to help the researcher avoid unnecessary and unintentional duplication of studies and provide a

framework within which the research findings were interpreted. Data gathered using this method was secondary from a critical examination of public and private recorded information related to the issue under investigation. The documentary evidence method was used to get dependable data as it was permanent and reliable information. The researcher reviewed reports, minutes of meetings held with beneficiaries, procurement work plans, and newspaper articles from the library together with other relevant written material on the study.

Data quality control

These were the steps and measures taken to ensure that the instruments used were good and clear enough to give the right findings of the study. To control the quality of the data, the researcher carried out validity and reliability tests of the instrument as reflected below:

Validity

According to Amin (2005), the validity of an instrument is when it measures what it is supposed to measure; that the data is collected honestly and accurately represents the respondents' opinions. The internal validity of the instrument was measured based on a Content Validity index of 0.95 after judgment by the supervisor as the research expert and was computed using the formula;

$$\text{Content Validity Index} = \frac{\text{Number of relevant questions (19)}}{\text{Total number of items (20)}}$$

The calculated CVI was compared with 0.7 as suggested

by Amin (2005) and hence the research instruments were accurate and valid to correct data for the study.

Reliability

Reliability is the measure of the degree to which a research instrument yields consistent results if administered on different occasions. According to Amin (2005), reliability is dependability, trustworthiness, or the degree to which an instrument yields consistent results after repeated trials. The researcher administered the questionnaire to only target groups and was used for selective data which was only relevant to the research objectives to minimize the errors and increase its reliability. A pretest was done whereby the research instruments used were tested with five respondents to find out their accuracy and relevance to the research topic.

Using Cronbach's Alpha (1951), as a measure of the reliability of the variables the following model

$$\alpha = \frac{K-1}{K} \left(1 - \frac{\sum \sigma^2 k}{\sigma^2} \right)$$

Where;

α = Reliability, Alpha Coefficient (Cronbach)

K = Number of items in the instrument

$\sum \sigma^2 k$ = Variance of individual items

σ^2 = Variance of the total instrument

A Cronbach Alpha Coefficient of 0.86 was obtained and compared with 0.7 as suggested by Amin (2005) and hence the research instruments were reliable.

Data collection procedures

After obtaining an introductory letter, the researcher sought permission from the relevant respondents of the Kibaale district local government and started the data collection by physically delivering questionnaires. Follow-ups with respondents were made after the agreed period to find out if the researcher could collect the questionnaires. Interviews were conducted to verify the data provided in the questionnaires. For procedures of obtaining secondary data, inquiries were made about access and availability of the information. A critical analysis of documents was made to squeeze out the required data.

Measurements of variables

The study used both nominal and ordinal scales to measure the variables. The nominal scale of measurement was mainly used to measure demographic data which comprised items with the same set of characteristics such as gender, age, education levels, and period of working at Kibale district local government. The rest of the items in the questionnaire were measured using the ordinal scale in which the five-point Likert scale ranging from 5-strongly agree, 4-agree, 3-no sure, 2- disagree, and 1-strongly disagree were used to measure both the independent and dependent variables against each other. The independent variables of the procurement contract process included contract pricing, contract payment terms, and contract delivery schedules.

Data analysis

Data collected was edited, coded, and later analyzed using the Statistical Package for Social Scientists (SPSS) version 24 computer program. Quantitative data was analyzed using tables, correlation analysis to show the

relationships, and regression analysis to show the influence of the contract process on social service delivery. Pearson's correlation coefficients (r) and significance (p) were used to identify the significance levels to test the hypotheses at the 99 and 95 confidence levels in the correlation analysis. This involved running a bivariate correlation analysis using Pearson's correlation analysis allowing it to find any significant relationship at 2-tailed. The adjusted R^2 , t -value beta, and significance values were used to measure the influence of the independent variables on the dependent variable in the regression analysis.

Ethical considerations

To ensure the confidentiality of the information provided by the respondents and to ascertain the practice of ethics in this study, the following activities were implemented by the researcher:

The researcher sought an introductory letter from the School of Graduate Studies and Research of Team University that was used to introduce the researcher to the concerned authorities for permission to collect data for this study.

He also solicited permission through a written request to the concerned officials of the selected Departments and respondents included in the study.

The researcher then requested the respondents to sign the *Consent Form*.

Acknowledgment of the authors quoted in this study through citations and referencing has also been done.

The researcher ensured confidentiality and anonymity of the information collected and the information given was used for academic purposes only.

Results

Table 2: Response rate for the study

Respondent category	Questionnaires were issued and interviews scheduled	Questionnaires were returned and interviews conducted	Response rate
Administrators	32	32	100%
Members of Contracts Committee	05	04	80%
Political leaders	37	35	94.6%
Service providers (Pre-qualified service providers)	18	18	100%
Opinion leaders	11	11	100%
Total	103	100	97.1%

Source: Primary data (2024)

Table 2, Administrators achieved a perfect response rate of 100%. This suggests a high level of willingness among administrators to participate in the study, indicating their recognition of the importance of the research topic. Members of the Contracts Committee achieved a response rate of 80%. While slightly lower than the other categories, it still indicates a substantial level of engagement. Political

Leaders attained a response rate of 94.6%, which is quite high. It demonstrates a positive level of involvement from political leaders in the study. Pre-qualified Service Providers achieved a perfect response rate of 100%, indicating a high level of cooperation from this group. Opinion Leaders also achieved a perfect response rate of 100%, indicating strong engagement and interest from

opinion leaders. The overall response rate for the study was 97.1%, which was relatively high. This indicates a significant level of engagement and cooperation from the respondents across various categories.

In summary, the response rates reflect a positive engagement from various stakeholder groups within the

Kibaale district, highlighting the importance and relevance of the study's topic and suggesting a conducive environment for addressing procurement and social service delivery challenges.

Table 3: Demographic characteristics of respondents

Category of respondent	Frequency	Percentage
Gender	Frequency	Percentage
Male	71	71%
Female	29	29%
Total	100	100%
Age Group	Frequency	Percentage
20– 34 years	30	30%
35-45 years	38	38%
46-60 years	27	27%
60+ years	5	5%
Total	100	100%
Education level	Frequency	Percentage
No education	00	00%
Primary	01	01%
Secondary	8	8%
Diploma	42	42%
Bachelors	46	46%
Masters	4	4%
Total	100	100%
Marital status	Frequency	Percentage
Single	20	20%
Married	77	77%
Separated	3	3%
Total	220	100%
Occupation (Parents)	Frequency	Percentage
Business	18	18%
Politicians	32	32%
Civil servant	36	36%
Peasant	14	14%
Total	100	100%

Source: Field data (2024)

Table 3, on Gender, male respondents constituted the majority, accounting for 71% of the total respondents, while female respondents make up 29%. This indicated a gender imbalance in the respondent pool, with males being significantly overrepresented compared to females.

In the age group, respondents aged 20–34 years accounted for 30% of the respondents, 35–45 years accounted for 38%, 46–60 years accounted for 27% and 60+ years accounted for 5% of the respondents. The majority of respondents fall within the age range of 35–45 years, followed by 20–34 years. The distribution suggests a fairly diverse representation across different age groups, with a higher concentration in the middle-aged category.

On education level, respondents with primary education accounted for 1%, secondary education accounted for 8%, Diploma education accounted for 42%, Bachelor's education accounted for 46% and Master's education

accounted for 4%. The majority of respondents have attained at least a diploma or higher qualification, with bachelor's degree holders being the largest group. The absence of respondents with no education and the relatively low percentage of respondents with primary education indicate a generally educated respondent pool.

On the marital status of the respondents, findings indicated that 20% were single, 77 were married and 3% were separated. Therefore, the majority of respondents were married, while a smaller percentage were single or separated. This distribution reflects a typical demographic profile where married individuals are more prevalent.

On occupation, 18% of the respondents were engaged in business consisting of 18% of the respondents, 32% were politicians, 36% were civil servants and 14% were peasants. The majority of respondents engaged were in

civil service occupations, followed by politicians and business.

Procurement contract pricing and social service delivery in Kibaale District

Respondents were tasked to give their views on the various variables regarding their family (parents) level of

income and the responses were recorded and presented in table 4.

The findings in the table below were captured using a Likert 5-point scale where 5= strongly agree, 4 agree, 3= Neutral, 2= disagree and 1= strongly disagree. These were summarized and presented using descriptive statistics.

Table 4: Procurement contract pricing and social service delivery in Kibaale District

Statement	Mean	Std. Deviation
The CAO invites bids for procurement and supplies before pricing	2.8	0.6
The evaluation committee evaluates bids and determines prices	4.3	0.4
The reserve price is set by the user department during budgeting	4.7	0.2
Negotiations are done in case the price is above the reserve price	4.4	0.3
The procurement unit does a market survey on prices each financial year.	2.1	0.2
The procurement carries out market benchmarks about prices with different local governments	1.9	0.6
There is transparency throughout the pricing process of procurement	2.4	0.2
Contracts are approved and awarded based on the reserve price	3.2	0.6
Prices are influenced by supply and demand dynamics within the local market	1.5	0.3
The complexity and scale of the project impact pricing	4.8	0.5
Suppliers adjust pricing based on the level of quality required to meet these standards.	4.4	0.8
Shorter-term contracts result in higher pricing due to risk for suppliers	3.7	0.7
Pricing within contracts complies with relevant laws, regulations, and procurement policies	2.1	0.4

Table 4, on the statement “The CAO invites bids for procurement and supplies before pricing” had a mean score of 2.8 and Std. Deviation of 0.6.

On average, respondents tend to disagree (closer to 'disagree' than 'neutral') that the CAO (Chief Administrative Officer) invites bids for procurement and supplies before pricing. This suggests that there might be perceived inefficiencies or discrepancies in the timing of bid invitations relative to pricing considerations.

The statement “The evaluation committee evaluates bids and determines prices” had a mean score of 4.3 with Std. Deviation of 0.4. Respondents generally agree (closer to 'agree' than 'neutral') that the evaluation committee evaluates bids and determines prices. This indicates a level of confidence in the evaluation process to establish fair pricing for procurement contracts.

The statement “The reserve price is set by the user department during budgeting” had a mean score of 4.7 and std. Deviation of 0.2. Respondents strongly agree that the reserve price is set by the user department during budgeting. This suggests a high level of confidence in the budgeting process to establish appropriate pricing benchmarks.

The statement “Negotiations are done in case the price is above the reserve price” had a mean score of 4.4 and std. Deviation of 0.3. Respondents generally agree that negotiations are conducted if the price exceeds the reserve price. This indicates an acknowledgment of the need for

flexibility in pricing negotiations to ensure cost-effectiveness.

The statement “The procurement unit does a market survey on prices each financial year” had a mean score of 2.1 and std. Deviation of 0.2. On average, respondents tend to disagree (closer to 'disagree' than 'neutral') that the procurement unit conducts a market survey on prices each financial year. This suggests a potential gap in market research practices within the procurement process.

The statement “The procurement unit carries out market benchmarks about prices with different local governments” had a mean score of 1.9 and Std. Deviation of 0.6. Respondents strongly disagree that the procurement unit conducts market benchmarks on prices with different local governments. This indicates a perceived lack of comparative analysis with other jurisdictions, potentially limiting opportunities for cost optimization.

The statement “There is transparency throughout the pricing process of procurement” had a mean score of 2.4 and std. Deviation of 0.2. On average, respondents tend to disagree (closer to 'disagree' than 'neutral') that there is transparency throughout the pricing process of procurement. This suggests a perceived need for improvement in transparency measures within the procurement process.

The statement “Contracts are approved and awarded based on the reserve price” had a mean score of 3.2 and std. Deviation of 0.6. Respondents are neutral regarding

whether contracts are approved and awarded based on the reserve price. This indicates a lack of consensus or uncertainty about the influence of reserve prices on contract awards.

The statement “Prices are influenced by supply and demand dynamics within the local market” had a mean score of 1.5 and Std. Deviation: 0.3. Respondents strongly disagree that prices are influenced by supply and demand dynamics within the local market. This suggests a perception of limited market-driven pricing mechanisms in the procurement process.

The statement “The complexity and scale of the project impacts had a mean score of 4.8 and Std. Deviation of 0.5. Respondents strongly agree that the complexity and scale of the project impact pricing. This indicates recognition of the significance of project characteristics in determining procurement contract prices.

The statement “Suppliers adjust pricing based on the level of quality required to meet these standards” had a mean score of 4.4 and std. Deviation: 0.8. Respondents generally agree that suppliers adjust pricing based on the level of quality required to meet standards. This suggests an acknowledgment of the relationship between quality standards and pricing.

The statement “Shorter-term contracts result in higher pricing due to risk for suppliers” had a mean score of 3.7 and std. Deviation of 0.7. Respondents are neutral regarding whether shorter-term contracts result in higher pricing due to risk for suppliers. This indicates uncertainty or variability in perceptions about the impact of contract duration on pricing.

The statement “Pricing within contracts complies with relevant laws, regulations, and procurement policies” had a mean score of 2.1 and std. Deviation of 0.4. On average, respondents tend to disagree (closer to 'disagree' than 'neutral') that pricing within contracts complies with relevant laws, regulations, and procurement policies. This suggests a perceived need for improvement in adherence to legal and regulatory frameworks in pricing practices.

The findings suggest a mixed perception of procurement contract pricing practices and their relationship with social service delivery in Kibaale District. While there is confidence in certain aspects such as the evaluation process and the setting of reserve prices, there are also

perceived deficiencies in areas such as market research, transparency, and compliance with regulations. Addressing these concerns could lead to more efficient and effective procurement practices, ultimately contributing to improved social service delivery within the district.

During an interview with the Chief administrative officer, he said “Political pressure and interference influence contract pricing decisions especially in the District Council and during contracts committee meetings which leads to inflated prices or favoritism towards certain suppliers”. This suggests that procurement decisions are influenced by political considerations rather than objective pricing criteria, leading to inflated prices or favoritism towards certain suppliers.

Also one of the opinion leaders said “Corruption and bribery pose significant risks to the integrity of the procurement process. Contracts committee members are susceptible to bribery or kickbacks from suppliers seeking to influence pricing decisions”. Contract committee members are vulnerable to bribery or kickbacks from suppliers seeking to influence pricing decisions. Corruption leads to inflated contract prices and misallocation of public funds, ultimately affecting service delivery and undermining public trust.

Also, the procurement committee chairperson said “Contracts committees struggle to accurately estimate the costs associated with procurement contracts, including materials, labor, and overhead expenses. These Inaccurate cost estimations can lead to budget overruns, project delays, and financial losses”. Inaccurate cost estimations can result in budget overruns, project delays, and financial losses. This suggests a need for improved cost estimation techniques and capacity building among contracts committee members.

The procurement officer also said, “Most times contract committees are challenged by bid rigging, collusion, and anti-competitive behavior among suppliers”. Unethical practices such as price fixing and bid manipulation can distort pricing outcomes and undermine the integrity of the procurement process. Addressing these challenges requires robust measures to prevent and detect collusion among suppliers.

Table 5: Correlation between procurement contract pricing and social service delivery in Kibaale District

		Procurement contract pricing	Social service delivery
Procurement contract pricing	Pearson Correlation Sig. (2-tailed)	1	0.463 ** .002
Social service delivery	Pearson Correlation Sig. (2-tailed)	0.463** .002	1
	N	100	100

Table 5, The correlation between Procurement Contract Pricing and Social Service Delivery was 0.463 with sig. 0.002 (p < 0.05). The correlation coefficient of 0.463 indicates a moderately strong positive correlation between

procurement contract pricing and social service delivery in Kibaale District. The significance level of 0.002 (p < 0.05) indicates that the correlation is statistically significant, suggesting that the relationship between procurement

contract pricing and social service delivery is unlikely to have occurred by chance.

The positive correlation suggests that there is a tendency for higher levels of procurement contract pricing to be associated with improved social service delivery outcomes in Kibaale District. This finding implies that investment in procurement contract pricing strategies that prioritize fairness, transparency, and efficiency may contribute to enhancing social service delivery within the district.

Conversely, lower levels of procurement contract pricing may be associated with poorer social service delivery

outcomes, indicating potential inefficiencies or inadequacies in the procurement process that could impact service provision.

Descriptive findings on procurement contract payment terms and social service delivery in Kibaale District.

The findings were recorded on a point scale where 5- strongly agree, 4- agree, 3- Neutral, 2-Disagree and 1- strongly disagree and they had varying responses.

Table 6, Procurement contract payment terms and social service delivery in Kibaale District.

Statement	Mean	Std. Deviation
Service providers submit invoices to the local government as per the procurement contract	4.1	0.4
Internal auditor verifies the accuracy and completeness of the invoices against the contract terms	4.1	0.8
The local government ensures that the expenses align with the budgetary allocations set for the procurement contract	4.7	0.3
Authorized personnel within the local government approve the payments (Usually CAO)	1.4	0.3
Procurement payments are made using electronic fund transfers	4.2	0.2
The local government maintains detailed records of all payment transactions	4.6	0.3
Payment conflicts and complaints are raised through the CAO and Chief Finance Officer	1.1	0.7
The total payment for the contract is made in a single lump sum upon completion of the project	3.8	0.6
Payments are made periodically throughout the contract based on the completion of pre-defined milestones	2.8	0.9
A portion of the contract price is retained by the local government as security until the project is completed satisfactorily.	2.5	0.5
Payments are tied to specific performance indicators or outcomes	2.2	0.4

Source: Primary data (2024)

Table 6., the statement “Service Providers Submit Invoices to the Local Government as per the Procurement Contract” had a mean score of 4.1 and std. Deviation of 0.4. Respondents generally agree that service providers submit invoices to the local government as per the procurement contract. This suggests adherence to contractual requirements for invoice submission, which is crucial for transparent financial management.

The statement “Internal Auditor Verifies the Accuracy and Completeness of Invoices Against Contract Terms” had a mean core of 4.1 and std. Deviation of 0.8. Respondents generally agree that the internal auditor verifies the accuracy and completeness of invoices against contract terms. This indicates a level of oversight and control to ensure compliance with contractual obligations.

The statement “Local Government Ensures Expenses Align with Budgetary Allocations” had a mean score of 4.7 and std. Deviation of 0.3. Respondents strongly agree that the local government ensures expenses align with budgetary allocations set for the procurement contract.

This suggests efficient financial management practices to prevent overspending and ensure budgetary discipline.

The statement “Authorized Personnel Approves Payments (Usually CAO)” had a mean score of 1.4 and std. Deviation of 0.3. Respondents strongly disagree that authorized personnel, usually the Chief Administrative Officer (CAO), approve payments. This contradicts typical procurement procedures, indicating potential irregularities or inefficiencies in payment approval processes.

The statement “Procurement Payments Are Made Using Electronic Fund Transfers” had a mean score of 4.2 and std. Deviation of 0.2. Respondents generally agree that procurement payments are made using electronic fund transfers. This suggests the adoption of modern payment methods, which can enhance efficiency and transparency in financial transactions.

The statement “Local Government Maintains Detailed Records of Payment Transactions” had a mean score of 4.6 and std. Deviation of 0.3. Respondents strongly agree that the local government maintains detailed records of all

payment transactions. This indicates robust financial record-keeping practices, essential for accountability and audit purposes.

The statement “Payment Conflicts and Complaints Are Raised through CAO and Chief Finance Officer” had a mean score of 1.1 and std. Deviation of 0.7. Respondents strongly disagree that payment conflicts and complaints are raised through the CAO and Chief Finance Officer. This suggests a lack of formal mechanisms for addressing payment disputes, potentially leading to unresolved issues and tensions.

The statement “Total Payment for the Contract is made in a Single Lump Sum Upon Completion” had a mean score of 3.8 and std. Deviation of 0.6. Respondents are neutral regarding whether the total payment for the contract is made in a single lump sum upon completion. This suggests variability in payment structures, with some contracts following this approach while others do not.

The statement “Payments Are Made Periodically throughout the Contract” had a mean score of 2.8 and std. Deviation of 0.9. Respondents tend to disagree that payments are made periodically throughout the contract based on the completion of pre-defined milestones. This indicates a potential lack of structured payment schedules tied to project progress.

The statement “A Portion of the Contract Price is retained by the Local Government as Security” had a mean score of 2.5 and std. Deviation: 0.5. Respondents tend to disagree that a portion of the contract price is retained by the local government as security until the project is completed satisfactorily. This suggests a potential gap in risk management practices related to contract payments.

The statement “Payments are tied to Specific Performance Indicators or Outcomes” had a mean of 2.2 and std. Deviation: 0.4. Respondents tend to disagree that payments are tied to specific performance indicators or outcomes. This suggests a lack of performance-based payment structures, potentially limiting incentives for service providers to meet quality and efficiency standards. In summary, the findings indicate a generally positive perception of procurement contract payment terms and their alignment with social service delivery objectives in

Kibaale District. However, there are also areas of concern, such as the lack of formal mechanisms for addressing payment conflicts, variability in payment structures, and limited adoption of performance-based payment models. Addressing these challenges could enhance the efficiency, transparency, and effectiveness of procurement contract payment processes, ultimately contributing to improved social service delivery outcomes.

During the interview, the CAO said “*One of the most common challenges is delays in payment to contractors/vendors after they have completed the work or delivered the goods/services as per the contract terms. This is because money comes in quarters that are sometimes delayed*”. This indicates that the timing of fund disbursements from higher authorities affects the ability of the local government to make timely payments.

Also, the procurement officer said, “*District local governments may face budget constraints or inadequate funding allocations for procurement contracts, leading to delayed or partial payments to contractors*”. This suggests that limited financial resources at the local government level hinder their capacity to fulfill payment obligations promptly.

An opinion leader selected for the interview also said “*District local governments struggle with inconsistencies in payment terms across different contracts, leading to confusion and disputes between parties. Lack of standardization in payment terms creates inefficiencies and delays in processing payments*”. This lack of standardization leads to confusion and disputes between parties, ultimately causing inefficiencies and delays in processing payments. Standardizing payment terms could streamline the payment process and mitigate conflicts.

Another opinion leader said, “*There are instances of corruption, favoritism, or lack of transparency in the payment process, leading to unfair treatment of contractors and misuse of public funds*”. Such practices can lead to unfair treatment of contractors and the misuse of public funds. This highlights the need for enhanced transparency, accountability, and integrity in the payment process to ensure fairness and prevent misuse of funds.

Table 7: Correlation between contract payment terms and social service delivery in Kibaale District

		Contract payment terms	Social service delivery
Contract payment terms	Pearson Correlation Sig. (2-tailed)	1	0.797** .001
Social service delivery	Pearson Correlation Sig. (2-tailed)	0.797** .001	1
	N	100	100

****.** Correlation is significant at the 0.05 level (2-tailed).

Table 7, The correlation between Contract Payment Terms and Social Service Delivery in Kibaale District was 0.797 with Significance (2-tailed): 0.001 ($p < 0.05$).

The correlation coefficient of 0.797 indicates a strong positive correlation between contract payment terms and social service delivery in Kibaale District. The

significance level of 0.001 ($p < 0.05$) suggests that the correlation is statistically significant, indicating that the relationship between contract payment terms and social service delivery is unlikely to have occurred by chance.

The strong positive correlation suggests that there is a robust relationship between the terms of contract payments and the delivery of social services in Kibaale District. This indicates that how payments are structured

and managed within procurement contracts significantly impacts the quality and effectiveness of social service delivery.

Efficient and well-managed payment terms are associated with improved social service delivery outcomes, while inefficient or problematic payment terms may hinder service delivery efforts.

Table 8, Regression analysis of procurement contract management and social service delivery in Kibaale district.

Model	R	R Square	Adjusted R Square		
Procurement contract pricing	.880 ^a	0.774	0.776		
Procurement contract payment terms	.885 ^b	0.783	0.781		
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	3.329	.000		3.134	.001
Procurement contract pricing	7.127	.011	.016	4.216	.012
Procurement contract payment terms	6.561	.013	.013	4.195	.031
a. Dependent Variable: social service delivery					

Table 8, The coefficient for procurement contract pricing is 7.127, indicating that for every unit increase in pricing, there is a 7.127 unit increase in social service delivery. The standardized coefficient (Beta) is 0.016, signifying the contribution of pricing to social service delivery after accounting for other variables in the model.

The coefficient for procurement contract payment terms is 6.561, suggesting that improved payment terms lead to a 6.561 unit increase in social service delivery. The standardized coefficient (Beta) is 0.013, highlighting the relative impact of payment terms on social service delivery compared to other factors.

Discussion

Procurement contract pricing and social service delivery in Kibaale District

Nduhura et al. (2022) emphasize the importance of transparency in the pricing process, which resonates with the findings that revealed a perceived lack of transparency in procurement pricing in Kibaale District. Political pressure and interference, as highlighted by the Chief Administrative Officer, can lead to inflated prices and favoritism toward certain suppliers, echoing concerns raised in the literature about the risks of corruption and bribery influencing pricing decisions

Muhwezi, Tumusime Musiime, and Onyutha (2020) discuss the importance of identifying and mitigating risks

associated with contract execution, which aligns with the findings related to bid rigging, collusion, and inaccurate cost estimations in Kibaale District. Addressing these risks is crucial for preventing budget overruns, delays, and financial losses.

The findings regarding payment terms in Kibaale District resonate with the literature's emphasis on efficient financial management and adherence to contractual requirements (Ivančík, 2017). The strong positive correlation between payment terms and social service delivery outcomes underscores the significance of well-managed payment processes in ensuring timely and effective service delivery, as highlighted by Dagilienė et al. (2021).

The importance of clear communication and accountability mechanisms in contract management, as discussed by Hodge and Greve (2017) and Basheka (2008), is echoed in the findings related to inconsistencies in payment terms and the lack of formal mechanisms for addressing payment conflicts in Kibaale District.

Barmana et al. (2019) emphasize the need for flexibility in contract management to accommodate changing social service needs which aligns with the findings regarding variability in payment structures and the lack of performance-based payment models in Kibaale District.

The literature highlights the role of transparent procurement processes in enhancing public trust and

confidence in government services (Basheka, 2008). The findings regarding integrity issues and inconsistencies in payment terms underscore the importance of integrity measures and standardized processes in fostering public trust in social service delivery.

McNamara (2020) provides insights into best practices in contract management, emphasizing governance, risk management, communication, and performance measurement. These elements resonate with the findings and recommendations from the study in Kibaale District, highlighting the importance of implementing best practices to enhance the effectiveness of procurement contract management in local government settings.

In summary, the findings from the study in Kibaale District align with key themes in the literature on procurement contract management and social service delivery, emphasizing the importance of transparency, integrity, risk management, financial management, communication, flexibility, and governance in ensuring successful service delivery outcomes.

Procurement contract payment terms and social service delivery in Kibaale District.

Nduhura et al. (2022) emphasize the importance of well-defined contract terms and expectations, which ensure that both parties understand their roles and responsibilities. This aligns with the findings from Kibaale District, where clear communication channels were identified as essential for ensuring that service providers adhere to contractual requirements.

The findings from the Kibaale District underscore the importance of monitoring and evaluating service delivery during the contract period to maintain service quality.

Ivančík (2017) discusses how effective contract management helps control costs and ensures that services are delivered within budgetary constraints. Similarly, the findings from the Kibaale District emphasize the importance of managing expenses and addressing budgetary discrepancies promptly to prevent cost overruns. Muhwezi, Tumusime Musiime, & Onyutha (2020) highlight the need to identify and mitigate risks associated with contract execution, such as delays or performance failures. The findings from the Kibaale District echo these concerns, emphasizing the importance of addressing risks to ensure successful service delivery.

Kauffman & Sougstad (2008) stress the importance of adhering to legal and regulatory requirements in procurement and service delivery contracts. Similarly, the findings from the Kibaale District underscore the need for compliance with regulations and the establishment of mechanisms for accountability.

Barman et al. (2019) discuss how effective contract management allows for flexibility to adapt to changing social service needs. The findings from the Kibaale District suggest that flexibility in contract terms enables adjustments to meet evolving requirements while maintaining service delivery objectives.

Hodge & Greve (2017) emphasize the importance of clear communication and transparency in contract management

processes. The findings from the Kibaale District highlight the need for transparent procurement and contract management processes to enhance public trust and confidence in service delivery.

The findings from Kibaale District regarding payment terms align with the literature's emphasis on efficient financial management and adherence to contractual requirements (McNamara, 2020). The strong positive correlation between payment terms and social service delivery outcomes underscores the significance of well-managed payment processes in ensuring effective service delivery.

In summary, the findings from the study in Kibaale District validate and reinforce key themes in the literature on procurement contract management, providing practical insights into the challenges and opportunities associated with managing contracts for social service delivery in local government settings.

Conclusion

The correlation analysis revealed a moderately strong positive correlation ($r = 0.463$) between procurement contract pricing and social service delivery in Kibaale District, with a statistically significant significance level ($p = 0.002$, $p < 0.05$). This indicates that the relationship between procurement contract pricing and social service delivery is unlikely to have occurred by chance.

The correlation findings revealed a strong positive correlation of 0.797 between Contract Payment Terms and Social Service Delivery in Kibaale District. The statistically significant p-value of 0.001 ($p < 0.05$) indicates that this relationship is unlikely to have occurred by chance. Efficient and well-managed payment terms were associated with improved social service delivery outcomes, emphasizing the importance of structuring and managing contract payments effectively to enhance the quality and effectiveness of service delivery. In contrast, problematic payment terms may hamper service delivery efforts in the district.

Recommendations

Kibaale District local government should implement measures to ensure transparency and fairness in procurement contract pricing, including clear guidelines, documentation, and oversight mechanisms.

The local government should conduct regular audits and reviews of pricing decisions to identify and address any irregularities or discrepancies.

The local government should develop and enforce strict policies and procedures to prevent corruption, bid rigging, and favoritism in procurement processes.

The district local government should streamline payment approval processes to ensure timely and efficient disbursement of funds to contractors and vendors.

Acknowledgment

I am grateful to my University Supervisor Dr. Ssendagi Muhammad for the great guidance, faith, patience, and encouragement he accorded me during this period of

doing research! His efforts have been of great help. My gratitude also extends to my family, friends, and colleagues who have always encouraged and guided me in writing this research. Also, with the spirit of humility and determination, my appreciation goes to the Management of Team University particularly lecturers and administrators at the School of Graduate Studies and Research for the opportunity to study at this great Institution. Thank you all and may God reward you richly!

List abbreviations

CC Contracts Committee
CVI Content Validity Index
SPSS Special Package for Social Sciences

Source of funding

The study was not funded

Conflict of interest

The author did not declare any conflict of interest

Author Biography

Dennis Kajuma is a student of the Masters of Procurement and Logistics Management Of Team University.
Muhammad Ssendagi is a lecturer at the School of Graduate Studies and Research
Of Team University

References

- Amin, M.E. (2005) Social Science Research: Conception, Methodology and Analysis. Makerere University Press, Kampala.
- Arantes, V., Zou, C., & Che, Y. (2020). Coping with waste: A government-NGO collaborative governance approach in Shanghai. *Journal of Environmental Management*, 259, 109653.
- Barmana, M. R., Rarasati, A. D., & Mohammad, I. H. (2019). RISK-BASED CONTRACT MANAGEMENT TO CONTROL MATERIAL PRICE INCREMENT IN A POWER PLANT PROJECT. *10(6)*, 272-281.
- Basheka, B. C. (2008). Procurement planning and accountability of local government procurement systems in developing countries: evidence from Uganda. *8(3)*, 379-406.
- Dagilienė, L., Varaniūtė, V., & Bruneckienė, J. J. o. C. P. (2021). Local governments' perspective on implementing the circular economy: A framework for future solutions. *Journal of Cleaner Production*, 310, 127340.
- Hodge, G. A., & Greve, C. (2017). On public-private partnership performance: A contemporary review. *22(1)*, 55-78.
- Ivančík, M., & Nečas, M. (2017). The role of contracting out in the provision of public services: A comparative study of the Czech Republic and Slovakia. *Journal of Public Procurement and Policy*, 2(18), 166-182.
- Kauffman, R. J., & Sougstad, R. (2008). Risk management of contract portfolios in IT services: The profit-at-risk approach. *25(1)*, 17-48.
- Komakech, R. A. (2020). Contract Management and Service Delivery in Local Governments in Uganda. *International Journal Advances in Social Science Humanities*, 8(2), 1-23.
- Krejcie, R.V. and Morgan, D.W. (1970) Determining Sample Size for Research Activities. *Educational and Psychological Measurement*, 30, 607-610.
- McNamara, A. J., & Sepasgozar, S. M. (2020). Developing a theoretical framework for intelligent contract acceptance. *20(3)*, 421-445.
- Muhwezi, L., Tumusime Musiime, F., & Onyutha, C. (2020). Assessment of the effects of procurement planning processes on the performance of construction contracts in local governments in Uganda.
- Nduhura, T., Nakalanzi, B. J., Baguma, J., & Nakajugo, S. (2022). Contract Relationship Management and Education Service Delivery in Masaka District Local Government. *6(4)*, 157-172.
- Pickett, K. S. (2013). *Audit planning: a risk-based approach*(Vol. 6): John Wiley & Sons.
- Rasheli, G. A. (2016). Procurement contract management in the local government authorities (LGAs) in Tanzania: A transaction cost approach. *International Journal of Public Sector Management*, 29(6), 545-564.
- Sibanda, M. M., Zindi, B., & Maramura, T. C. (2020). Control and accountability in supply chain management: Evidence from a South African metropolitan municipality. *7(1)*, 1785105.
- Vogl, T. M., Seidelin, C., Ganesh, B., & Bright, J. (2020). Smart technology and the emergence of algorithmic bureaucracy: Artificial intelligence in UK local authorities. *Public Administration Review*, 80(6), 946-961.
- Walker, R. M., & Andrews, R. (2013). Local Government Management and Performance: A Review of Evidence. *Journal of Public Administration Research and Theory*, 25(1), 101-133. doi:10.1093/part/mut038 %J Journal of Public Administration Research and Theory
- Warner, M. E., Aldag, A. M., & Kim, Y. (2021). Privatization and inter-municipal cooperation in US local government services: Balancing fiscal stress, need and political interests. *23(9)*, 1359-1376.

PUBLISHER DETAILS

Page | 12

SJC PUBLISHERS COMPANY LIMITED



Category: Non Government & Non profit Organisation

Contact: +256 775 434 261 (WhatsApp)

Email: info@sjpublisher.org or studentsjournal2020@gmail.com

Website: <https://sjpublisher.org>

Location: Scholar's Summit Nakigalala, P. O. Box 701432, Entebbe Uganda, East Africa