

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Public Procurement and Asset Management Reform Implementation in Oromia Regional State, Ethiopia

Asresahegn Getachew

Research Training and Consultancy Officer, Oromia State University, Ethiopia

Abstract:

Because of the traditional and non-strategic outlook of the procurement and property administration system, inefficiency and ineffectiveness in the operation, the Government of Ethiopia has launched a comprehensive public procurement and asset management reform in 2003 in order to achieve value for money and to develop best procurement and property administration systems and practices in the country. Besides, Oromia regional state in its part has adapted the reform initiated at the federal level and been implementing it since then. However public procurement and asset management reform has been implementing in the region, success in achieving the desired objectives of the reform has seen more constraint. Then, the purpose of this study was to assess the status (challenges and prospects) of public procurement and asset management reform being implementing in Oromia regional state. The study was conducted around the five pillars of the reform. The pillars are (1) legal and regulatory frameworks; (2) institutional and structural frameworks; (3) professional competence; (4) public procurement and property administration systems, tools and procedures; and (5) government – private sector partnership. A mixed research design was adopted because it provided flexibility and afforded the researcher the opportunity to deal with both quantitative and qualitative data in order to reach on the depth understanding of the reform status in the region. Out datedness of existing procurement and property administration legal frameworks and supplementary documents, inadequateness of the existing institutional and structural setup, inadequate competence levels of employees charged with the responsibility of procurement and property administration, challenges of strategic procurement and property management planning, poor use of new electronic communications and transaction processing technologies, poor record keeping, inadequate internal control and monitoring, poor centralized reporting and strategic government – private sector/stakeholder partnership were identified as the major problems hampering achievement of there form objectives. Thus, the study concluded that, the public procurement and asset management reform being implementing in the region has yet not successfully attained its intended objectives because of the deficiencies identified in the study and so more efforts should be exerted.

1. Introduction

1.1. Background of the Study

In a government structure public bodies are established to accomplish certain tasks and in an attempt to accomplish their tasks they acquire and utilize resources in varying magnitudes from outside their operations through a process of procurement. This procurement of public sectors, herein referred to as public procurement, utilizes taxpayer's money and aims at fulfilling certain government objectives (Thai, 2001). Public procurement is viewed as an "overall process of acquiring goods, civil works and services which includes all functions from the identification of needs, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration through the end of a services' contract or the useful life of an asset" (United Nations Development Program, UNDP, 2007).

Most developing countries were facing problem of inefficiency and ineffectiveness in their public procurement and property administration functions because of the fact that these countries traditionally used the procurement system simply to decide on making or buying the goods and services needed to perform government functions, just as a private companies made similar decisions in their enterprise resource plan. Consequently, in recent years most of these developing countries were transitioning the system from a clerical non-strategic perspective to an effective socio-economic unit that is able to influence decisions and add value to the nation economy. Hence, Public procurement and property management reforms have occupied a center stage in broad public sector reforms in Africa since the late 1990s as governments at all levels came under increasing pressures to 'do more with less resource intakes' (Knight, Harland, Telgen, Thai, Callender, & Mcken, 2007; and Facolta di Economia, 2006).

As (Brooks and Demissie, 2009; Yirga Tesfahun, 2011; and Admasu Mamo,2008) revealed in their research findings, Ethiopia has been in the process of transforming its basic institutions responsible for economic development and poverty

reduction since the early 1990s. Hence, in recognition of the crucial role that the procurement system plays in enabling the developmental state to perform, over the last few years the Government of Ethiopia has stepped up its effort in reforming the country's public procurement and property administration system as part of the necessary improvements to public sector management. The Government has continued to implement public procurement and property management reform at both the national and sub-national/regional levels. Their findings highlighted that, while progresses have seen certain problems were also perpetuating in the implementation of the reform. Therefore, this research was designed to assess the implementation of the on-going public procurement and asset management reform in Oromiaregional state, whether it has achieved its intended objectives about to create modern, effective, efficient, accountable, result oriented and a well-performing public procurement and asset management system that will contribute to the economic development endeavor of the Government.

1.2. Statement of the Problem

As a major function of government, public procurement is perceived as the government activity of purchasing the goods and services needed to perform its functions (Arrowsmith, 2010: 1).

According to (Brooks and Demissie, 2009; and Admasu Mamo,2008) Public procurement in Ethiopia dates back to 1940s. Hence, their findings indicated that, during the earlier period (regime of Hyile Silasse, Derge & Transitional government of EPDRF) public procurement and asset management functions in Ethiopia were facing problem of inefficiency and ineffectiveness because of the traditional and non-strategic outlook of the procurement and property administration system that has been characterized by unclear legal framework, lack of harmonized procedures and weak institutional arrangement. Consequently, in the recognition of these constraints, the Government of Ethiopia has launched a comprehensive public procurement and asset management reform in 2003 to regulate and improve the way in which public procurement and property administration practices within the civil service sector is to be undertaken. Likewise, Oromia regional state has adapted/customized the reform initiated at the Federal level according to its context and has been implementing it in order to achieve value for money and to develop best procurement and property administration systems and practices in the region (official report of Oromia BoFED).

Hunja (2003) has argued that, success in achieving comprehensive procurement reforms has proven more difficult. He emphasized that, although many countries have implemented fundamental reforms to their procurement systems, there were little evidences of those fundamental reforms efforts achieving their full-fledged objectives.

Agreed with the findings of Hunja (2003), however public procurement and asset management reform has been implementing in the region, success in achieving the desired objectives of the reform to create modern, effective and efficient Public procurement and property utilization system and governance has seen more constraint. Such perception of the researcher could be supported by the findings of Etefa (2006) identified on his recent assessment of public procurement and property management practices and also by the report made on the workshop proceedings towards identifying the challenges of public procurement and asset management at the Federal and Regional States of Ethiopia, jointly organized by the ECSU and FPPA (July 5, 2013). Moreover, the report made on the third and final stage of DFID support (14th, December 2008) to the Ethiopian Institute of Procurement (EIP) could also support the inference of the researcher to say that public procurement and asset management functions in the region has faced perpetuated problems.

By far, the assessment reports of (Etefa,2006; ECSU and FPPA July 5, 2013 and third and final stage of DFID support 14th, December 2008 to the Ethiopian Institute of Procurement)highlighted that, inadequate structural set up, extended lead times and processes involved in public procurement and property disposal, tendency for public entities to want to 'go their own way' in having a streamlined procurement process at variance to the existing proclamation, regulation, directives and guidelines; lack of competent and eroded ethical behavior of the procurement and property administration personnels and lower income of employees who were in custodianship of public procurement and property administration related operations were some of the constraints, among others that have identified.

Therefore, inference the researcher has made because of the prevailing situation in the public procurement and property management functions of the region supported with the findings reported above(Etefa,2006; ECSU and FPPA July 5, 2013 and third and final stage of DFID support 14th, December 2008 to the Ethiopian Institute of Procurement)has aroused his interest to assess the implementation status (challenges and prospects) of public procurement and asset management reform being implementing in Oromia regional state and come up with feasible recommendations.

1.3. Objectives of the Study

1.3.1. General Objective

The study generally aimed at assessing the status of the on-going public procurement and asset management reform implementation in the region.

1.3.2. Specific Objectives of the Study

The study specifically aimed at addressing the following objectives:

1. To review the comprehensiveness and adequacy of existing legal and regulatory framework governing the Oromia Regional Government's public procurement and property management activities.

2. To assess the adequacy of institutional and structural setups established for the operations and management of public procurement and property management functions in the region,
3. To examine the professional capacity of the procurement and property administration staff and degree of professionalism requirements acknowledged in undertaking public procurement and asset management activities within the Public institutions of the region,
4. To assess the strength of public procurement and asset management systems, tools and procedures within the public institutions of the region.
5. To assess the degree of public – private partnerships exist between public institutions and the private sector participants (stakeholders, customers, contractors and suppliers) across the procurement and property management functions.

1.3.3. Accordingly, the study has tried to give answer for the research questions raised below:

1. Are the existing legal and regulatory frameworks comprehensive enough to regulate the overall operations and management of public procurement and property administration functions in the region?
2. Are the institutional and administrative structures for the operations and management of public procurement and property administration functions adequately and uniformly established in the region?
3. Is the competency level of employees charged with the responsibility of procurement and property administration within the public institutions of the region adequate enough to execute their assigned tasks effectively?
4. Are strong public procurement and property management systems, tools, and processes installed within the public institutions of the region?
5. Is there a productive public – private partnerships exist between public institutions and the private sector participants (stakeholders, customers, contractors and suppliers) across the procurement and property management system of the region?

1.4. Significance of the Study

This study of institutional practices and the impact of the state regulatory environment on public procurement and property management system provide insight on how both public institutions and the regional government can make significant improvements through a variety of reforms, while maintaining transparency and accountability. Greatly, the findings of the study will assist the regional government specially the relevant organizations to be aware of the gaps in implementing the reform program and take corrective actions to enhance the effectiveness of public budget utilization in the region. Moreover, planners, researchers, policy makers and public institutions in the region as well as in the country might use the result of this study to better understand the situation in the reform program and let them play their role. Finally, the result of this study will also serve as a benchmark for further studies to be done in the future.

1.5. Scope of the Study

Because of a number of strategic issues incorporated in the Public Procurement and Property management reform program, the study covers an assessment of the entire spectrum of the reform from simple clerical or operational function to that is strategic one. And it will address those public institutions from woreda to regional level of administrations.

This study differs from prior studies done in this subject area. Most of the prior studies have focused in the assessment of the practical public procurement and property administration procedural details. They were more of operational assessments. Contrary to those prior studies, this study has exerted its scope beyond the operational matters. Therefore, the study was focused on the assessment of the five (5) strategic pillars that laid foundation for the reform implementation. These are; (i) legal and regulatory frameworks; (ii) institutional and structural frameworks; (iii) professional competence; (iv) public procurement and property administration systems, tools and procedures; and (v) government – private sector partnership.

1.6. Research Methodology

The methodology section is an important component of the research that essentially maps out the methods used during the research work. Hence, as a matter of fact, the very nature of this study was concerned with the assessment that aimed at finding out the status of a particular phenomenon (the performance or status of public procurement and asset management reform implementation) and describing the specific characteristics and facts of the reform implementation in the study area, the mixed type of research based on quantitative and qualitative research approach was applied on the basis of research problem and objectives.

In addition, the research design involved the collection and analysis of both quantitative and qualitative data as this particular research basically tried to assess the particular characteristics/nature of each components/pillars of the reform. Therefore, a mixed research design was adopted because it provided flexibility and afforded the researcher the opportunity to deal with both quantitative and qualitative data in order to reach on the depth understanding of the reform status in the region.

1.7. Sample and Sampling Technique

The population for this study was assumed to be the entire public institutions of the Oromia regional government. Based on strategies for maximizing the validity of trustworthiness of study procedures and results, Purposeful sampling was thus employed for gathering information-rich cases which could be studied in depth. Accordingly, at the Bureau level ten (10) public institutions/Bureaus or Agencies or Authorities (Agriculture, Water & Energy, Health, Education, TVET, TCT, Irrigation, Road, Road Construction Enterprise, and Industry & Urban development) were purposively selected as they were considered major institutions that consumed larger amount of government budget for public procurements.

The selection of respondents from these sampled public institutions were also done through non-probability sampling technique by identifying Procurement and property administration staffs, process owners and members of top management within the institutions. The rationale was that they have worked in the field, managing the procurement and property administration functions of their institutions, aware of the issue under study and therefore, they were recognized in the best position to provide knowledge based information for the study.

In addition, employees charged with the responsibility of Procurement and property administration, finance area, process owners, and members of top management from four sampled public institutions (at the Zonal, City administration and Woreda levels) have selected as sample respondents for the structured questionnaires to collect primary data.

Oromia regional state's Public Procurement and Property Disposal Agency (PPPDA), Oromia Bureau of Finance and Economic Development (BoFED), Offices of Finance and Economic Development (OoFED) at the zonal, city administration and woreda levels have also purposively selected as sample for this study.

1.8. Source and Methods of Data Collection

The data for this study was collected from both primary and secondary sources. The primary data sources were resource persons from the sampled public institutions of the region, including PPPDA, BoFED/OoFED (employees charged with the responsibility of Procurement and property administration, process owners, and members of top management).

The primary data were predominantly collected through the unstructured interviews designed as a research instrument to collect qualitative data from the sampled respondents. Accordingly, the researcher has conducted in-depth interviews with the selected knowledgeable and key individuals from the sampled institutions in order to collect essential information that enabled him to get in touch with the particular characteristics/nature of the reform components/pillars that would describe a form of reality constituted in the reform implementation situation.

Furthermore, certain suppliers from the business sector who found on the spot of data collection were also interviewed for the research. The physical status of public properties and documentations of the procurement and property management related practices of certain public institutions of the region were also visited and observed by the researcher. Likewise, the primary data essential to this study were also collected from the sampled respondents through the structured questionnaires distributed to them.

On the other hand, secondary data sources of this study were the various published and unpublished materials. And hence, the secondary data that were collected for this study included a review of key national/regional public procurement and property administration proclamations, directives, guidelines, manuals, formats and other publications and literature on the subject i.e., academic articles, website publications, organizational reports (accounting records, financial statements, minutes, procurement and property management performance audit report), relevant government documents, administrative rules, policies and procedures.

1.9. Method of Data Processing and Analysis

After the raw data were collected, data that was considered essential had filtered and converted into formats that were appropriate for analysis and interpretation. The primary data that were collected through the structured questionnaires was processed using SPSS and quantitatively analyzed using descriptive statistical method. Descriptive analysis was largely employed to analyze data presented in the form of tables. Hence, descriptive statistical tools like tables, frequency and percentage of occurrences were employed for the quantitative data analysis in which the researcher has presented the data analysis and deduced employed meaning from the data analyzed and made meaningful inferences about the problem investigated.

With respect to qualitative data, the characteristics of mass of qualitative data obtained from different sources (generated by interviews, documentary reviews and researcher's personal observations) were thematically organized, analyzed, interpreted, described, summarized and presented in a way it could create and evoke images on the reader of this research.

1.10. Organization of the Study

This research critically analyzes the challenges and prospects of public procurement and property management reform project being underway at the regional Government of Oromia. It is structured around five chapters. Each chapter has its own subunits. The first chapter outlines the introductory part including research design, and methodology of the research. This chapter also includes basic questions that were raised to be answered by the study. The second and third chapters cover the literature review and theoretical frameworks of public procurement and property management system where the later

chapter presents features of the Ethiopian government public procurement and property management system. Chapter four presents data analysis and discussion of the study. Finally, the fifth chapter presents summaries of key findings, concluding remarks and recommendations forwarded in order to solve the problem stated in the introduction part of the study.

2. Literature Review

2.1. Definition of Key Terms

2.1.1. Purchasing

The specific function associated with the actual buying of goods and services from suppliers (Mangan et al, 2008)

2.1.2. Public Procurement

Public procurement is the process whereby public sector organizations acquire goods, services and works from third parties. It includes much that supports the work of government and ranges from routine items (e.g. stationery, temporary office staff, furniture or printed forms), to complex spend areas (e.g. construction, Private Finance Initiative projects, aircraft carriers or support to major change initiatives). It also includes a growing spend where the private and third sectors provide key services directly to citizens in areas such as welfare-to-work, further education, social care and health. Such services may also be provided by the public sector directly, and in some cases even this public provision can be handled through procurement mechanisms. A public body may bid for government work against private sector firms through a formal competitive process. The public procurement process spans the whole life cycle from initial conception and definition of the needs through to the end of the useful life of an asset or the end of a contract (*An introduction to Public Procurement; Office of government Commerce, 1 Horse Guards Road, London SW1A 2HQ*)

2.2. Role of Procurement

Lewis and Roehrich (2009) pointed that procurement is a key activity in the supply chain. Procurement can significantly influence the overall success of an emergency response depending on how it is managed. In most organizations, procurement represents a very large proportion of the total spend and should be managed effectively to achieve optimum value. Procurement works like a pivot in the internal supply chain process turning around requests into actual products/commodities or services to fulfill the needs (Caldwell, Roehrich and Davies, 2009). Caldwell et al, (2009) further argue that procurement serves three levels of users and these are the internal customer, programs in response to emergencies and ongoing programs, and prepositioning of stocks, for both internal customers and program needs.

In addition, Benslimane, Plaisent, and Bernard (2005) contend that the overall aim and objective of procurement is to carry out activities related to procurement in such a way that the goods and services so procured are of the right quality, from the right source, are at the right cost and can be delivered in the right quantities, to the right place, at the right time. There are 'six rights' in procurement and they can be achieved through following specific objectives of procurement (Benslimane et al, 2005). These specific objectives are;

- To buy quality materials, items and services economically from reliable sources;
- To ensure timely delivery through the selection of capable and efficient suppliers;
- To continuously locate, evaluate and develop economical and reliable supply sources;
- To identify the most reliable sources of supply through either open tender, multi-stage tendering (pre-qualifying suppliers and retaining only those that are capable of meeting the organization's requirements; strategic sourcing) and limited tendering.
- To investigate the availability of new materials and monitor trends in market prices;
- To buy in accordance with organizations policies;

Moreover, Caldwell et al (2009) say that there are three important principles of procurement. The first principle is transparency, which provides that all phases in the procurement process are fair and accurately documented. The second principle is that of accountability and it points out that there is need for accountability to financiers, who may require certain rules to be followed when using the money, they have provided. Finally, there is the principle of efficiency and cost effectiveness and this principle is about meeting the 'six rights' of supply (price, right time, right quantity, quality services, and delivery to the required places and from the most cost effective source).

Procurement has an important role to play and according to Shaw (2010), every organization should put in place effective systems of procurement to protect shareholder's funds. The procurement function forms a key part of any management strategy. The particular features of procurement are the budgets involved, the frequency of activities and technical complexity of the functions. More recently as a function procurement has been complicated by the inclusion of 'manufacturing partnering' and by the acceptance that best value cannot be measured by price alone, but needs to take account of time, quality and sustainability considerations as well (Shaw, 2010).

Procurement activity must, therefore, be considered as an internal part of the business planning process and must relate to the asset management strategy. Three major questions therefore have to be asked in connection with establishment of good procurement practice and these questions according to (Nakamura, 2004), are as follows;

- i. Does the project meet organizational objectives?
- ii. How does it fit into the development strategy, asset management strategy and the business plan?
- iii. Will embarking upon this project undermine existing commitments?

2.3. Principles of Public Procurement

According to Khi. V Thai (2009), the principal hallmarks of proficient public procurement are:

1. Value for money (economy, efficiency, and effectiveness);
2. Nondiscrimination (fairness);
3. Transparency; and
4. Accountability and Ethical Standards.

Economy: Procurement is a purchasing activity whose purpose is to give the purchaser best value for money. For complex purchases, value may imply more than just price, for example, since quality issues also need to be addressed. Moreover, lowest initial price may not equate to lowest cost over the operating life of the item procured. But the basic point is the same: the ultimate purpose of sound procurement is to obtain maximum value for money.

Efficiency: The best public procurement is simple and swift, producing positive results without protracted delays. In addition, efficiency implies practicality, especially in terms of compatibility with the administrative resources and professional capabilities of the purchasing entity and its procurement personnel.

Fairness: Good procurement is impartial, consistent, and therefore reliable. It offers all interested contractors, suppliers and consultants a level playing field on which to compete and thereby, directly expands the purchaser's options and opportunities.

Transparency: Good procurement establishes and then maintains rules and procedures that are accessible and unambiguous. It is not only fair, but it is seen to be fair.

Accountability and Ethical Standards: Good procurement holds its practitioners responsible for enforcing and obeying the rules. It makes them subject to challenge and to sanction, if appropriate, for neglecting or bending those rules. Accountability is at once a key inducement to individual and institutional probity, a key deterrent to collusion and corruption, and key prerequisite for procurement credibility.

2.4. Public Procurement Frameworks

According to (Tahi, 2010) public procurement framework, the public procurement system is built on four pillars:

- I. Procurement laws and regulations,
- II. Procurement organizational structure.
- III. Procurement workforce and training,
- IV. Procurement process and methods

This system is determined by the government and is influenced by its economic, cultural, legal, political, and social environment. Conversely, the procurement system can influence its environment and the government framework.

2.4.1. Public Procurement Laws and Regulations

Tahi, 2010 argues that, a sound public procurement system needs to have good procurement laws and regulations. In practice and theory, public procurement laws and regulations have been considered as one of the most important pillars of a sound procurement system, as evidenced in past research and publications.

Procurement laws and regulations lead to procurement efficiency or inefficiency. Ideally, procurement laws and regulations should be clear, consistent, comprehensive, and flexible.

Clarity, which requires the primary sources be carefully drafted to ensure that basic principles are clear but do not prevent the use of more efficient procedures or new technology. All procedural details should be included in implementing regulations consistent with the primary sources. Delegation of regulatory responsibilities at the central government, political subdivision, or agency levels should be clearly defined, as appropriate.

Consistency, which can be achieved when procurement provisions contained in different sources are well coordinated (i.e., there is no overlap or conflict, the hierarchy of the sources is clear, new provisions are promptly incorporated, and outdated provisions are repealed).

Comprehensiveness, which entails that all relevant aspects of the procurement process are addressed (there are no gaps in the regulatory framework which allow "personal" or "distorting" interpretation of aspects of the process).

Flexibility, which requires that primary sources set forth only principles, basic features of the system, an outline of the procurement methods, and conditions for the use. Depending on local conditions, there may be several layers of regulatory authority, including agency issued codes or rules regulating aspects which are particular to the agency. Lower level sources should provide practical guidance to practitioners in carrying out their work and should be easily updated.

Public procurement laws and regulations clearly cover the whole scope of public procurement, all stages of the procurement processes, methods and procurement, ethics, and transparency.

In addition, procurement laws and regulations have to be easy to be accessed by the public. Uniformity and universality of coverage contribute to predictability and savings in the operation of the procurement system, while access to the rules and regulations contribute to transparency thereby resulting in more economic procurement.

2.4.2. Public Procurement Organization

According to (Tahi, 2010) in some countries there may be a central procurement office for the whole nation, such as Uganda, Kenya, etc. In other countries, public procurement organizational structure is very complicated. In the United States, at the federal level, although procurement regulations are applied to all federal agencies, the General Services Administration is a central procurement office for civilian agencies, except the Department of Defense that does have its dependent procurement office.

Szeftel, 1983 reported that, the major challenge that continues to affect the successful implementation of public procurement reforms in Africa is poverty- and organizational-related issues. The reform requires flexible organizational coherence. Although some public institutions have adopted such flexible organizational structures, there are others that have deviated from their expectations and have instead become instruments of corruption, mismanagement, and bureaucratic-authoritarian leadership.

Schiavo-Campo and Sundaram, 2000 also argued that, while reforming public procurement in Africa has received some momentum, the organizational structures have largely remained rigid. Poor organizational structures of ministries are often a major cause of inefficient implementation of government policies

2.4.3. Public Procurement Workforce Training Requirement

Referring to (OECD-DAC, 2006 & Government Accountability Office, 2005) Tahi, 2010 has pointed out; a sound procurement system has to have a competent professional workforce equipped with defined skills and knowledge for specified procurement jobs. The procurement workforce "permeates virtually every effort within an agency, including successfully acquiring goods and services and executing and monitoring contracts". Tahi urged that unfortunately, public procurement has been a neglected area of education. According to him, until 2007, a college degree program in public procurement was not offered. Thus, public procurement personnel were mostly received on-the-job training or they were from law schools. Moreover, Tahi argued that, countries such as the United States and Canada have faced a major problem: the shortage of their procurement workforce due to retirement and job turnover, which could created an imbalance with regard to acquisition experience and skill sets. Creating a procurement workforce with the right skills and capabilities can be a challenge, given changes to procurement processes, the introduction or expansion of alternative contracting approaches, and increased reliance on services provided by the private sector (Tahi, 2010).

Thus, he concluded that it was a challenging task for an agency to choose the right staff in the right numbers applying skills where needed to accomplish the mission effectively. Therefore, Tahi has recommended that, governmental entities need to have a comprehensive training program, a comprehensive strategic workforce plan to profile the procurement staff, and projects staffing needs for the future, to hire, develop, and retain talent.

2.4.4. Public Procurement Process and Methods

Traditionally, public procurement has been perceived as belonging to the implementation phase of the budgetary process. In other words, public procurement professionals are responsible for executing the approved procurement budget. This is a very narrow view of the role of these individuals. In reality, for certain procurement types, particularly building and road construction projects, public procurement professionals can be valuable sources of information for sound decisions. For a better procurement plan, they need to know in advance, before the procurement budget is approved:

- 1) How many procurement projects will be conducted in the fiscal year?
- 2) How many procurement projects' budgets have to be spent in the fiscal year and will expire by the end of the fiscal year if they are not spent?
- 3) What projects are most critical for the agency's mission so that extra attention can be given to them?

Moreover, market knowledge on the part of public procurement officials will be critical to decisions on such alternatives as privatization or "make-or-buy." Finally, knowing how a procurement project is planned, authorized, and budgeted, public procurement professionals will be able to implement procurement projects effectively, efficiently, and economically. In reality, procurement officials are involved in procurement only after agencies obtain procurement budget. The procurement process consists of many stages.

I. Procurement Planning

According to appropriation law, government agencies cannot spend until the budget is appropriated by the legislature and apportioned by the central budget office. But as procurement is a long and time-consuming process, contract planning should "begin as soon as the agency need is identified, preferably well in advance of the fiscal year in which contract award is necessary" (FAR 7.104a) by:

- 1) Forming a team consisting of all those who will be responsible for significant aspects of the procurement, such as contracting, fiscal, legal, and technical personnel

- 2) Coordinating with and securing the concurrence of user departments in all planning
- 3) Consulting requirements and logistics personnel who determine type, quality, quantity, and delivery requirements
- 4) Establishing standard acquisition plan formats, if desired, suitable to agency needs

The purpose of this planning is to ensure that the procurement agents meet the agency's needs in the most effective, economical, and timely manner. FAR also recommends that knowledge gained from prior acquisitions be used to further refine requirements and acquisition strategies.

II. Preparing and Processing Procurement Requests

Although the procurement planning should start well in advance of the fiscal year in which contract award is necessary, the real procurement action will not commence until the user agency prepares and forwards a procurement request (PR) to the central procurement office.

The purpose of a PR is to provide the procurement professional (or contract specialist or contracting officer, in the federal government) with the information and approvals necessary for initiating procurement. When preparing the PR, user departments should consult with the procurement staff. The more the user department consults with procurement professionals, the more precise the document will be. A procurement that starts with a defective PR is likely to be troublesome at some point in the process. For example, if a single source acquisition is initiated without justification and approvals, the action may later be protested and the entire process disrupted and delayed. Other consequences of a deficient PR might include:

- Need to cancel a solicitation because of improper approvals or lack of funds
- Failure to order an economic quantity
- Failure to include price-related evaluation factors in the solicitation

a) Conducting Market Research

Normally, the central procurement office researches markets even before developing new requirements documents for an acquisition by user agencies, before soliciting offers for acquisitions with an estimated value in excess of the simplified acquisition threshold, and before soliciting offers for acquisitions with an estimated value less than the simplified acquisition threshold when adequate information is not available and the circumstances justify its cost. The extent of market research and analysis will vary depending on the urgency, value, and complexity of the proposed acquisition.

III. Developing and Reviewing Requirements Documents

In preparing the requirements documents, agencies may select from existing requirements documents, modify or combine existing requirements documents, or create new requirements documents to meet agency needs. To demonstrate that an item has achieved commercial market acceptance, the criteria in the solicitation should reflect the minimum need of the agency; relate to an item's performance and intended use, not an offer or's capability; and include consideration of items supplied satisfactorily under recent or current contracts for the same or similar items.

Requirements documents include the specifications or statements of work and related elements of the PR. The procurement professional may accept requirements documents proposed by the requiring activities "as is" or recommend improvements.

a) Specifications

According to Thai (2007), a good specification contains the following elements:

- It identifies a minimum requirement.
- It allows for maximum competition (competitive bids).
- It identifies the test methods to be used to verify compliance with the requirement.
- It contributes to obtaining best value at the lowest possible cost using a fair, equitable, and transparent (easy for the public to see and understand) contract award process.

b) Types of Specifications

For the procurement of goods (rather than services), there are two main categories of purchase descriptions: (i) detailed specifications and (ii) other purchase descriptions.

Commercial standards, design specifications, material and method-of-manufacture specifications, and engineering drawings are types of detailed specifications. Performance specifications, brand name, brand name or equal specifications, samples, market grades, qualified products lists (QPL), and combination of methods are the types of specifications found in the category of other purchase descriptions.

c) Material and Method of Manufacture Specifications

This type of specification is used primarily by the armed forces and by the Department of Energy. Potential suppliers are told precisely what materials to use and how they are to be processed. The buying organization assumes full responsibility for the performance of the products acquired under this arrangement. Large buyers of paint would use these specifications to

request manufacturers to add or to delete certain chemicals when producing paint for them. In the industrial sector, for reasons of health or safety, some firms dealing with chemical or with pharmaceutical products also use these specifications to describe their requirements.

d) Engineering Drawings

Descriptions by blueprints or drawings are recommended when precise shapes, dimensions, close tolerances, and a high degree of manufacturing perfection are needed. Drawings may be used alone, although normally they accompany other purchase descriptions. Machined parts, forging, castings, construction, and special mechanical parts and components are the types of requirements that would normally justify the use of drawings.

This is an expensive method of describing requirements, both from the point of view of preparing the information and from using it in the manufacturing process. The availability of the information in an electronic format and the capability of manufacturing systems to utilize the data should help reduce some of the costs while increasing the effectiveness of this method of describing and communicating requirements.

e) Performance Specifications

Performance specifications, also known as functional specifications, are probably the best method of describing requirements. Instead of describing an item in terms of its design characteristics, a purchaser using a performance specification describes what the item is expected to do. The purchaser is much less concerned about the material composition of the item and the way it is manufactured or assembled and much more concerned about its performance when put into use. With this approach to procurement, the manufacturer/producer/supplier is not directed to act in a certain way but rather is given an opportunity to use ingenuity and to innovate to provide (likely at a relatively lower cost) an item which will adequately perform a specific task.

Although a high degree of precision and a lengthy text may be used to describe the required performance, suppliers are not told what material to use in fabricating the item nor told which manufacturing process to use in assembling it.

f) Brand Name Specifications

Brand name specifications identify, by name, model number, or other designations, a specific product manufactured by a specific corporation. One reason for manufacturers to brand a product is to sell that product at a relatively stable price, which is normally higher than that of non-branded products of equal quality. End users usually have a greater comfort level with a brand name product. It should be pointed out, however, that there is normally a price to pay for this comfort. One example is a battery. Even though they know that the manufacturer of a very popular brand of batteries sells the same item as a no-name product at a lower cost, some users will still insist on obtaining the brand name product. The use of brand name specifications in purchasing goods simplifies the task of a purchaser. Inspection is also easier to perform because the brand is the quality ordered and expected of the product.

g) Brand Name or Equivalent Specifications

Brand name or equivalent specifications go beyond the traditional brand name specifications by demonstrating and emphasizing the idea that any brands or models substantially equivalent to the branded product(s) referred to in the bid invitation will be considered for contract award. The purchaser reserves the right of determining equivalency. Brand name or equal specifications must specify that the brands designated in the bid documents are for reference purposes only and must not be interpreted as a statement of preference.

h) Samples

The comparison and testing of samples can effectively substitute for a detailed specification in some instances. Generally, they are used when other methods of specifying a requirement are impractical. For example, it would be quite appropriate to use samples when specifying that a precise shade of blue is to be used as the color of the needed product. The alternative would be to attempt to describe, in words, the required color. Samples are often utilized when acquiring uniforms, badges, decals, footwear, bulletproof vests, and other items of this nature.

i) Combination

Many of the more complex products cannot be adequately described by a single type of specification. A combination of two or more types is therefore appropriate in such cases. For many requirements, the design-performance combination may be the best approach, with design requirements kept to a minimum while the performance characteristics are very detailed.

j) Performance Specifications

Performance specifications describe the deliverable in terms of desired operational characteristics. Where an item is purchased against a performance specification, the contractor accepts general responsibility for design, engineering, and achievement of the stated performance requirements. The contractor has general discretion and election as to detail but the work is subject to the government's reserved rights of final inspection and approval or rejection.

This type of specifications tends to be more restrictive than the functional specifications, in terms of limiting alternatives which the government will consider and defining separate performance standards for each such alternative.

k) Design Specifications

Design specifications establish precise measurements, tolerances, materials in process and finished product tests, quality control, inspection requirements, and other specific details of the deliverable. The government assumes liability for the design and related omissions, errors, and deficiencies in the specification and drawings.

l) Standards

Standards establish engineering and technical limitations and applications of items, materials, processes, methods, designs, and engineering practices. Standards include any related criteria deemed essential to achieve the highest practical degree of uniformity in materials or products or interchangeability of parts. Standards supplement specifications and are generally incorporated by reference in the solicitation document.

m) Product Descriptions (PDs)

PDs describe physical characteristics or functions required to meet the government's need. PDs are prepared when FED Specs or MIL Specs are inapplicable or do not fully cover the requirement.

n) Services

There are two primary types of descriptions of services: the statement of work and the performance work statement.

o) Statement of Work (SOW)

A SOW describes the contract work to be performed and incorporates any applicable specifications. The scope and elements of a SOW vary greatly depending on what is being procured. A SOW for a major system may be complex, quite long, and incorporate numerous specifications. A SOW for lawn-mowing service, however, can be fairly simple and short. The SOW may or may not incorporate any specifications regarding products or equipment used in providing the service.

p) Performance Work Statement (PWS)

In recent years, public procurement has seen an increased emphasis on promoting better contract results through performance-based service contracting/acquisition (PBSC or PBSA). The heart of such a contract is the PWS that defines the specific performance required of the contractor, including standards to be met and a surveillance plan for the government to use in monitoring the work.

q) Statement of Objectives (SOO)

The SOO approach has become a popular variation of PBSC. A SOO is a high-level description of the outcomes desired by the government. The contractor reads the SOO in the solicitation document and prepares a proposal that outlines how it will provide a solution to the stated problem. In essence, traditional roles are reversed, as the contractor writes the PWS and surveillance plan, for evaluation by the public procurement professional, who selects the best solution offered. This technique requires less work up front, but it also demands clear knowledge of the results needed and allows great flexibility to the contractor in performing the work.

IV. Planning for Evaluation

Another important step in the procurement planning phase is creating an evaluation team and procedure and developing evaluation criteria. The goal of the procurement is to achieve the "best value" for the user agency in terms of performance, delivery time, and cost while ensuring that all firms submitting offers are treated in a fair and equitable manner. The discussion in this section deals primarily with solicitations for competitive proposals, rather than sealed bidding. The procedures are much simpler in sealed bidding, where there is a public bid opening, determination of lowest responsive, responsible bidder, and award on that basis.

a) Appointing an Evaluation Team

Who has the authority to appoint an evaluation team? This depends on each government entity's policy or common practices, and sometimes on the importance and the politics of the procurement project. The evaluation team normally consists of professional staff within the government entity.

Occasionally, an elected official or a representative from the community can be appointed to the committee, but it is important that the committee include a representative from the central procurement office and the user agency.

b) Establishing Evaluation Criteria

The development of evaluation criteria that will appear in a solicitation issued to the private sector should take into consideration many factors, including the nature of the specific requirement, the ability of the user agency to define the

requirement in a clear and concise manner, relevant evaluation criteria, and the organizational culture or environment of the user agency. Although the user agency is ultimately responsible for the evaluation criteria and the vendor selection, the procurement professional must ensure that the integrity of the process is maintained.

Typically, the user agency develops the criteria with some assistance and guidance from the procurement professional. However, in some cases the procurement professional may be requested by the client to play a more proactive role and to actually develop the evaluation criteria. The user agency and the procurement professional must recognize that every case is likely to be different, and the evaluation procedure must be tailored to the particular requirement.

c) Evaluation Plan

The evaluation team, with help as required from the procurement professional, should develop an evaluation plan before issuing the solicitation documents. The purpose of this plan is to clearly identify:

- Evaluation criteria
- Their respective weighting factors
- Scoring grid against which these evaluation criteria will be evaluated
- Scoring method
- Contractor selection method that will be used to determine which response best meets the requirement

The first step in developing the evaluation plan is to identify the parameters that will be used in the solicitation method to measure both the competence of each firm submitting an offer and the worthiness of their particular responses. Rating factors are then assigned to the evaluation. The rating factors should reflect the relative importance of the evaluation criteria. By reviewing the proposed weighting at this stage, the procurement professional can help the client ensure that the significant factors drive the choice of the recommended vendor. Again, the relative weighting of each component will change for each requirement. Finally, the plan must indicate the contractor selection method that will be used, such as a cost–technical trade-off, lowest priced technically acceptable method, or any other approach.

d) Evaluation Criteria: Points or Adjectives

The two most common ways of expressing the relative importance of evaluation criteria are by point scoring or using adjectival descriptions. These evaluation criteria are used to establish the relative merits of one proposal over another. Again, the procurement professional should work with the client to determine which values or attributes are most important to the organization and to the requirement. Various criteria are used to identify the government's needs in order of priority. Points may then be assigned to those elements, such as 50 points out of 100 for a particular factor, with the other factors adding up to 100. Alternatively, the solicitation may simply state that the technical factors are worth approximately twice as much as the management plan, etc.

Proposals are usually divided into several sections: technical, management, and corporate background are generally combined into one part of the proposal (often referred to as the "technical proposal"), and financial details (the price or cost proposal) are included separately, as they are typically evaluated by different panels or individuals. The solicitation documents must detail exactly what should be included in each section. Points or adjectives are typically assigned to only the technical, management, and corporate background criteria. Some examples of rated criteria include:

- ❖ Understanding of the project scope and objectives
- ❖ Proposed risk management approach
- ❖ Demonstration of expertise
- ❖ Qualifications of management team
- ❖ Firm's experience with similar projects
- ❖ Quality assurance approach
- ❖ Reporting and documentation arrangements
- ❖ After sales warranty or service
- ❖ Proposed level of effort
- ❖ Past performance record

e) Contractor Selection Methods

In considering which selection method to use, the procurement professional must again consider the actual requirement and with the client determine which method will achieve the "best value." Generally, "best value" is determined by the client's view of the relative importance of the technical component of the proposal in comparison to the price that the client is prepared to pay.

The most common selection methods are:

- Selection on the basis of the lowest priced technically acceptable proposal (sometimes referred to as the "binary" approach)
- Selection on the basis of the highest combined rating of technical merit and price
- Selection on the basis of the highest rated acceptable proposal within a stipulated maximum budget

- Cost-technical trade-off (subjective comparison of cost and technical areas to determine the best proposal) Variations of the above

f) Determining Solicitation Methods

For all levels of procurement, the procurement professional seeks competition in some form. Without competition, there is little certainty that the price is the best available. Thus, during this planning phase, management and procurement professionals need to select an appropriate method that maximizes competition.

Most state statutes and local procurement ordinance provisions establish the monetary limits that require "formal advertised" competitive sealed bidding. Most statutes or ordinances also require that informal competition, which consists of obtaining two or more oral or fax quotations, be sought for purchases less than a specific amount established by law.

There are several solicitation methods available in public procurement:

- Competitive sealed bidding: formal and informal
- Competitive sealed proposals
- Small purchases
- Sole source
- Emergency purchases

V. Contract Award

The last major activity of the contract formulation phase is contract award. This activity consists of determining responsibility, preparing awards, signing the contract, notifying and debriefing losing firms, and dealing with possible irregularities such as mistakes and protests. The procedures vary depending on whether the contract results from simplified acquisition, sealed bidding, or negotiation procedures.

g) Debriefing

Debriefing means informing unsuccessful offerors of the basis for the selection decision and contract award, as well as what was wrong with their proposals. Successful offerors may also request debriefings whenever award is on the basis of competitive proposals. The goal is to provide offerors with information that will help them submit better proposals in the future, through frank and open dialogue.

Procurement professionals should only offer a debriefing upon request. An offeror may request a pre-award debriefing by submitting a written request for debriefing to the procurement professional (for federal agencies, the FAR imposes a three-day time limit, but state and local rules may differ) after receipt of the notice of exclusion from the competition. In like manner, an offeror may request a post-award debriefing (within three days, according to FAR) after the date on which that offeror has received notification of contract award.

Under the simplified acquisition threshold, debriefing is granted, with a brief explanation of the basis for the contract award decision, only if the award is based in part on factors other than price.

h) Awarding to Only Responsible Offerors/Quoters

Awarding solely on the basis of lowest evaluated price can be false economy if there is a substantial risk of subsequent default, late deliveries, or performance that is otherwise unsatisfactory. Procurement professionals are therefore not required to award to a supplier solely because that supplier has submitted the lowest price. Rather, procurement professionals may award only to firms that have affirmatively demonstrated their responsibility and, when necessary, the responsibility of proposed subcontractors. (In practice, the procurement professional's signature on a contract constitutes a determination that the prospective contractor is responsible with respect to that contract.) For small business vendors competing for federal contracts, if the procurement professional determines that it is not responsible, the matter is referred to the small business administration for a final decision.

VI. Preparation and Signing of Contract

When awarding through sealed bidding or competitive negotiations, documentation should be sufficient to allow accurate reconstruction of the procurement for immediate review and for future reference. Drawing on that documentation, the procurement professional prepares a contract for execution that establishes a legal and binding agreement (e.g., offer, acceptance, consideration, competent parties, lawful purpose, and certainty of terms).

VII. Contract Administration

a) Notice to Proceed

After a contract is awarded, the project manager or contract administrator issues a notice to precede that sets the contract administration in motion. Although most government entities do not require a formal contract administration plan, public procurement professionals are responsible for ensuring that the parties have complied with all terms and conditions of

the contract. At minimum, the procurement professional should therefore track receipt of the deliverable acceptance (for the furnishing and delivery of standard commercial items), performance of the service, or payment under the contract.

b) Post-Award Start-Up Conferences

It is often useful to hold a post-award conference meeting attended by the personnel from both parties to the contract. The contract has now been executed and it is time to discuss contract performance expectations with the contract administration team. Attendees should include all of the members of the contract administration team and corresponding contractor counterparts. A post award meeting can prove to be of considerable value in helping ensure that the contractor understands your expectations and performs accordingly, and, in general, providing the foundation for an effective contract effort. When it is determined, after a contract award that the contractor does not or may not have a clear understanding of the scope of the contract, the technical requirements, or the rights and obligations of each party, it is essential that the agency initiates post-award orientation action to clarify any ambiguities and resolve any misunderstandings.

c) Contract Administration Team

Depending upon the complexity of the contract, some or all of the following personnel may become involved in contract administration activities:

- i. Contracting officer (procurement professional, manager/supervisor of purchasing)—the role changes from being an advisor during the foundation stage of the statement of work, to a decision maker during the bid process, to coordinator and team player with the contract management team
- ii. Contracting personnel (procurement professionals)
- iii. Technical project personnel/contract administrator (initiating department, end user)
- iv. Financial auditors (serve as advisors)
- v. Legal counsel (serve as advisors)

During the contract administration phase, there may be some disputes that need to be resolved. How to deal with contract disputes is normally prescribed in procurement laws and regulations. To maintain procurement integrity, there is a need to establish and maintain a clear separation of duties between procurement personnel and the project staff.

3. Public Procurement in Ethiopia: A Conceptual Framework

Since the period when public procurement was introduced in Ethiopia, different legal and regulatory frameworks have been introduced in the functioning of the system. Hence, this chapter presents the conceptual framework of the Ethiopian public procurement and property administration system. In addition, gives background information about the legal, regulatory and institutional frameworks governing the public procurement and property administration system of the country during different timelines with a special emphasis on the recent ones.

3.1. The Historical Genesis of Public Procurement in Ethiopia

Public procurement in Ethiopia is a recent phenomenon. According to a report prepared by The Ethiopian Procurement and Property Administration Agency, public procurement was started in 1940 EC. Admasu (2009) revealed that, during the regime of Hile Silase (in the 1940s) the Ministry of Finance was established to procure military equipment and supplies for soldiers. In addition to military equipment, the Ministry was given the mandate to procure stationeries and cars for organizations which are financed by the regular government budget and the procured materials were stored at the Ministry's warehouse. Admasu reported that, during these times (in the 1990s) the Ministry was criticized by the majority of public institutions served by it because of its poor procuring capacity. Hence, due to this and other setbacks an independent agency (Ministry of Public Property Organization and Distribution) were established in 1950 under proclamation _ 19/1950. This independent agency was responsible to procure and distribute the following materials.

- Military uniforms equipment and supplies,
- Public vehicles,
- Capital equipment and stationeries,
- Materials which are crucial for development and industrialization,
- Air water and inland transportation equipment and spare parts.

The independent agency, however, didn't last long and dissolved in 1956 for the following reasons:

- The agency was established without any prior study,
- There was shortage of capital,
- Absence of qualified and skilled employees,
- Absence of support and cooperation from other ministries,
- Absence of warehouses for the storage of procured materials.

Following the dissolution of the Agency, materials which cost Birr 10,000 and above were procured by a committee established by the Auditor General. Delivery, quality assurance and procurement financial records were maintained by the procuring public institutions. Public procurements costing less than Birr 10,000 were undertaken by the procuring public institutions themselves.

In 1981, the Provisional Military Government of Socialist Ethiopia issued a financial regulation under the Minister of Finance. The regulation which has eleven chapters mainly deals with the country's financial rules and regulations. However, the last two chapters (chapter ten and eleven) deal about government procurement & materials and procurement, disposal, utilization and control of government vehicles.

The regulation allows any government department to make procurements valued not more than Birr 250,000 by their own. However, procurements more than this amount should be approved by the established Central Tendering Review Committee (CTRC) under the Government Procurement and Materials Management Control Department (GPMCD).

Members of the CTRC were five with all to be elected by the GPMCD. According to the Provisional Military Government of Socialist Ethiopia Financial Regulation, the CTRC were given the following duties and responsibilities among others.

1. Reviewing and approving decisions of the tender evaluation which is sent by the concerned government department.
2. Considering and approving proposals by any government department
3. Reviewing in detail the purchases made by any government department
4. Considering any other matters which the Government Procurement and Materials Management Control Department brings to it for consideration and decision.

Coming to the regime of the federal democratic republic of Ethiopia (EFDR), Brooks and Demissie, 2009; and Admasu Mamo, 2008 revealed in their research findings, during the earlier period (regime of Hyile Silasse, Derge & Transitional government of EPDRF) the country were facing problem of inefficiency and ineffectiveness in its public procurement and property administration functions and hence, has launched a comprehensive public procurement and asset management reform in 2003.

3.2. Public Procurement Decentralization in Ethiopia

The procurement function is decentralized in that the various Ministries, public bodies and parastatals do their own procurement planning, prepare bidding documents, issue invitation for bids, receive bids and evaluate the bids and make recommendation for award of contracts.

According to the CPAR report (1998), during the Derg regime, however procuring government entities have to obtain the approval of the Ministry of Finance in regard to the bidding documents and the proposed decisions to award contract in the event the procurement contract in question involves the use of funds allocated from the Ministry of Finance budget (a) exceeding Birr 500,000 under local bidding and (b) exceeding Birr 2 million under international bidding.

3.3. Definition and essence of Public Procurement Reform

According to Khi. V Thai (2009), to reform public procurement is to have a second look at the existing public procurement systems (in response to problems arising from internal and external pressures), with a view of making systems more responsive to changing circumstances and meeting desired goals. Public procurement reforms can be defined as policy attempts at changing organizational, institutional, and legal structures that manage public procurement process (to improve the conduct of procurement), signaling a major shift from traditional systems and processes to new responsive systems and processes.

The purpose of public procurement reform is to create responsive systems that encourage effective and efficient performance of the public sector. Such reform efforts would require all stakeholders to shift from traditional bureaucratic processes to more flexible processes that focus more on outputs and on realization of broad social and economic goals of government. Public procurement reform advocates for a procurement system that puts in place a management style of realization of government objectives through effective procurement governance. In this way, public procurement reform means inducing change and is a strategy for improving the performance of the public sector. This would essentially entail a strategy to "do more with less, concentrate on value for money procurement, encourage competition, instill transparency and accountability, have responsive legal regimes, and involve a number of stakeholders in procurement governance."

Further, Public procurement reforms can be considered as the process of transforming government procurement from systems incapable of achieving government procurement objectives to those systems with a capacity to achieve the objectives of government procurement. It may also be looked at as the process of attempting to make the process of government acquisition more accountable and transparent to a range of stakeholders. It involves strengthening systems, processes, procedures, and people involved in the process of acquiring goods, services, and works needed by government departments and units to perform functions of delivering efficient and effective services. Public procurement reform may equally be the process of attempting to "fix" problems that have engulfed public procurement systems.

3.4. Public Procurement and Property Management Reform in Ethiopia

Ethiopia has been in the process of transforming its basic institutions responsible for economic development and poverty reduction since the early 1990s. Over the last decade commendable progresses have achieved in bringing about systemic changes in public financial management (PFM) on both the financial systems and procurement sides. Since 2004 these reforms have been brought under the umbrella of the Expenditure Management and Control Program (EMCP) which is one of the five sub-programs of the Civil Service Reform Program (*Ethiopia protection of basic services program phase II project appraisal document of the World Bank; Report No.45186 – ET*).

In recognition of the crucial role that the procurement system plays in enabling the developmental state to perform, over the last few years the Government of Ethiopia has stepped up its effort in reforming the country's public procurement and property administration system as part of the necessary improvements to public sector management. The reform aimed to ensure that public procurement is carried out with efficiency, transparency and accountability and in a manner that is fair, non-discriminatory, and economic, resulting in value-for-money.

The report highlighted that, while progresses have seen certain problems were also developing in the implementation of the reform.

The last Country Procurement Assessment Report (CPAR) update of 2002 identified procurement capacity as one of the major weaknesses in Ethiopia's public sector procurement system. Hence, it has been significantly urged much remains to be done before the impact of the reforms could be realized, particularly in terms of capacity in different sectors and at lower levels of Government, where trained public procurement staff were lacking.

Accordingly, following the 2002 Country Procurement Assessment Review (CPAR), the Government adopted an action plan for implementing its procurement reforms agenda that has been implemented as part of the EMCP. Hence, according to the World Banks sponsored CPAR (2010), significant public procurement and property administration policy reforms have been made in Ethiopia as part of the effort to implement the recommendations of the 2002 CPAR. Major changes that have resulted in the public procurement and property administration system of the country include the following among others:

As it was identified in the World Banks sponsored CPAR 2010, "beforehand of the reform public procurement was regulated with the financial administration Proclamations, not recognizing it as a strategic issue requiring a separate legal framework. Hence, because of this weakness;

- A new law that specifically deals with the public procurement and Property administration functions (in its latest revision the Ethiopian Federal Government Public Procurement and Property Administration Proclamation No. 649/2009) containing those essential features of a modern procurement law was enacted.
- Article 12 of chapter two of the new public procurement and property administration proclamation No.649/2009 has established an independent public procurement and property administration control and oversight body i.e. the Ethiopian Public Procurement and Property Administration Agency (PPA) as an autonomous Federal Government organ having its own juridical personality,
- The new public procurement and property administration Proclamation regulation and Directive contained adequate implementing rules, basic procedures and methods for each procurement. According to Article 33 of the new proclamation No.649/2009 open bidding; request for proposals; two stage tendering; restricted tendering; request for quotation and direct procurement methods shall be used in public procurement.
- The proclamation (Article 31) has also introduced the use of electronic means as a method of procurement to achieve economy, transparency and modernization in public procurement,
- Standard Bidding Documents (SBDs), manuals and other supporting documents were also prepared and issued to be used for all procurements financed by public funds,
- A delegated framework for government procurement operation was in place,
- Procurement personnel of Procuring government entities have been trained for proper implementation of procurement rules and regulation as part of the effort to build the capacity of public bodies.

The Ethiopian Government has continued to implement public procurement and property management reform at both the national and sub-national levels. Under the decentralized system of the Government of Ethiopia, the autonomous Regional Governments and City Administrations should have in place the public procurement law, adapted from the prototype provided on Determining Procedures of Public Procurement and establishing its supervisory Agency Proclamation No. 430/2005 as well as the Federal, Public Procurement Directive to govern public procurement at the sub-national level. All Regional governments and city administrations (except Dire Dawa) have adapted the public procurement law to govern public procurement at the sub-national level.

Accordingly, adapted from the Federal prototype the Government of Oromia regional state have put in place the public procurement and property administration governing laws and guidelines indicated below;

- Proclamation No. 157/2010, a proclamation to install the Oromiya Regional State Procurement and Property Administration system was issued,
- Regulation number 134/2011, a regulation to establish an autonomous central public procurement and property disposal institution (*Oromia Public Procurement and Property disposal Agency* – PPPDA) was issued,
- Directive number 02/2012, a directive to govern the Oromiya Regional State Procurement system was issued,
- Directive number 01/2012, a directive to govern the Oromiya Regional State Property administration system was issued,
- Supplementary legal documents that assist the practices of public Procurement in the region were developed.
 - The preparation of standard bid document.
 - Procurement manual for goods and services were prepared and distributed to the public institutions.

3.5. The Public Procurement and Property Management Reform Framework

Indeed, the public procurement and property management reform was designed based on five (5) pillars that build support for the effective implementation of the reform. The pillars are;

I) Legislative and regulatory framework

The desire to reform public procurement and property administration system of the country was partly emerged from the need to laid down strong legal foundation/framework that regulate government procurement and property administration functions (Brooks and Demissie, 2009; and Admasu Mamo,2008).

The legal framework or law determines how different aspects of procurement and property administration functions will be carried out in the public organization and how people working in the public procurement and property administration functions should behave. Therefore, it is to be applicable to all procurements and property administrations undertaken by public institutions.

II) Put in place the enabling institutional and structural setups

The principle of institutional and structural setup for public procurement and property administration urges the establishment and maintenance of appropriate organizational and administrative structural frameworks for the placement of central regulatory, procuring, coordination, capacity building, information dissemination and other functions of public procurement and property management operations in the public sector with employees and stakeholders having clearly defined roles and responsibilities.

Accordingly, owing to Proclamation No. 157/2010 the Oromia regional state's public procurement and property administration operations and its management were arranged/organized under three (3) different forms of institutional and structural setups, each with specialized/specific legislative and administrative roles. The three institutional and structural setups included:

- 1) BoFED was established as a central regulatory body with the power and responsibilities to formulate and issue regional procurement and property administration policies, legislations, regulations, instructions and guidelines/manuals; capacitate, monitor, control, supervise and audit the procurement and property management performance of every public institutions of the region and the PPPDA.
- 2) PPPDA was established as an autonomous central procurement and property disposal office charged with the operational functions to carry out procurements of supply of similarities goods and services which are commonly used by public bodies as well as goods and services which has regional strategic significant, and disposal of unused/unserviceable public properties on behalf of public institutions that uses budget of the regional state. It also mandated to assists and support public institutions in their procurement and property management activities.
- 3) PBs or institutions of the region apart from those specified in the directives have given the overall responsibilities for the procurements they carry out and the property they administer.

III) Build professional infrastructure or professionalism in the public procurement and property management system.

The reform further highlighted the strong commitment to be taken for the institutionalization of the training to be given in the area of public procurement and property management through the implementation of different procurement and property management capacity building activities in a sustainable manner in order to improve and strengthening the implementing capacity of public institutions through competent cadres of public procurement and property management officials.

IV) The public procurement and property administration systems, tools, procedures and methods

The public procurement and property administration process does not occur in a vacuum. As indicated in the designed reform, in addition to the enactment of legal and regulatory frameworks and setups of enabling institutional and structural arrangements, installation of supporting systems, tools, procedures and methods play an important role in contributing to the overall efficiency and effectiveness of the public procurement and property administration process. Accordingly, these supporting systems, tools, procedures and methods include the followings;

- Process of the timely development and provision of strategic procurement and property consumption/administration planning developed through adequate market studies and linking the procurement and property consumption demand to the budget process of the institutions.
- System of strategic integration of the procurement and property administration function with the other aspects of logistics and functions within the organization (other functions such as planning & budgeting, IT, transportation, warehousing, distribution, finance (billing & payment), human resource and the like).
- System of strategic inters – sectoral integration and close collaboration between the various public institutions in the procurement and property management practices.
- Use of modern IT systems-based tools and approach in the public procurement and property administration functions.
- Installation of a sound norms/system of complete and adequate maintenance/record keeping and safekeeping (security protocols) of records and documents related to procurement and property utilization transactions of the public institutions.
- Installation of strong internal control monitoring system deep-rooted to the procurement and property utilization operations of the public institutions and that should occur and performed continually in the course of every procurement and property utilization operations of the institutions.

- Installation of strong system of monitoring, controlling, auditing and follow-up of the procurement and property administration performances of the public institutions that should be performed by the central regulatory body.
- Installation of clear quality control and assurance framework/ system that should occur and applied continually in undertaking every procurement within public institutions.
- Installation of adequately structured and defined performance monitoring and evaluation system incorporating basic measures/standards on quality, total cost, delivery, security of supply, and others to routinely evaluate supplier's, contractor's and consultant's performances and also in order to undertake comparison of supplier performance to defined standards for future better contract management.
- Installation of an effective system for regular reporting of Government institutions' procurement and property administration performances to the central regulatory body.

V) Private Sector Involvement

Some formal links/relationships have to be established between the public and the private sector in order to provide continuous improvements in public procurement and property management functions. An improved dialogue between the public and the private sector would thus give more opportunities, strengthen the service providers and result in better products.

3.6. Conceptual Framework of the Study

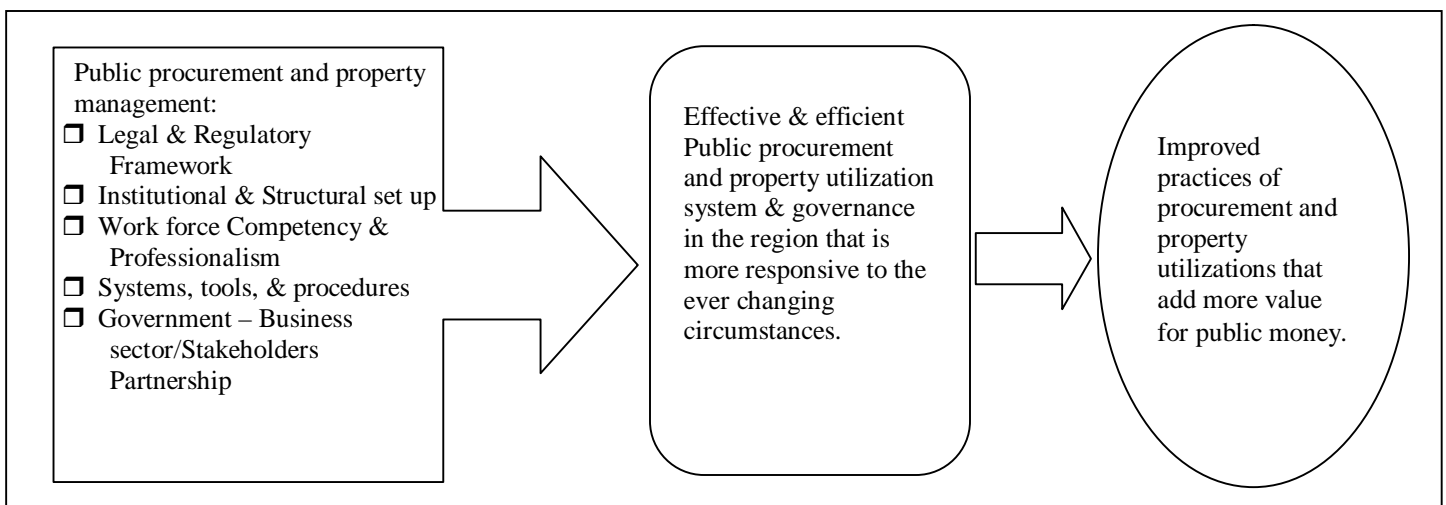


Figure 1

4. Presentation and Analysis of Data

This chapter of the study deals with the presentation of data collected, analysis and interpretation of the data presented in the paper and discussions of the major findings identified in the study. Here, both the primary and secondary data collected from different sources have been analyzed and interpreted in this section.

The primary data that were collected through the intensive interviews held with those resource persons from the sampled public institutions of the region, including PPPDA, BoFED/OoFED (employees charged with the responsibility of Procurement and property administration, process owners, members of top management and certain employees apart from the procurement and property administration staffs) have been analyzed and discussed in this part of the study. Furthermore, those collected secondary data such as; key national/regional public procurement and property administration proclamations, directives, guidelines including SBDs, manuals, formats and other publications and literature on the subject i.e., academic articles, website publications, organizational reports (accounting records, financial statements, minutes, procurement and property management performance audit report), relevant government documents, administrative rules, policies and procedures were also reviewed, analyzed and interpreted in this chapter. The study has been analyzed thematically based on the five public procurement and property management reform pillars.

4.1. Characteristics of the Respondents

Different categories of respondents were involved in this study in order to maximize dependability of the data used in the study.

Sex of respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	179	80.6	80.6	80.6
	Female	43	19.4	19.4	100.0
	Total	222	100.0	100.0	

Table 1: Characteristics of respondents by sex

As one can observe from Table 1 above, the majority (80.6 %) of the respondents were found to be males. The female respondents were seen to be very low (19.4 %) compared to the males. This may indicate that the participation of female in the study area (in the problem area) was low.

Age of respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	11	5.0	5.0	5.0
	26-35	73	32.9	32.9	37.8
	36-55	133	59.9	59.9	97.7
	above 55	5	2.3	2.3	100.0
	Total	222	100.0	100.0	

Table 2: Characteristics of respondents by age

Regarding the age category, Table 2 above indicates 5 percent of the respondents fall within the age category of between 18 and 25 years of old; 32.9 percent of them fall between the age range of 26 and 35 years of old; 59.9 percent of them fall between the age range of 36 and 55 years of old. The remaining 2.3 percent of the respondents were above the age range of 55. Hence, as the figures shown in the Table 2 above indicates it would possible to say that most of the respondents were matured enough, since they are found in the adult age group and their responses could be dependable.

Respondent's level of education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High school completed	3	1.4	1.4	1.4
	Graduated with Certificate	12	5.4	5.4	6.8
	Graduated with Diploma	85	38.3	38.3	45.0
	Graduated with first degree and above	122	55.0	55.0	100.0
	Total	222	100.0	100.0	

Table 3: Characteristics of respondents by level of education

As far as the educational background of respondents concerned, when 1.4 percent of the respondents were found to have educational status (background) of only high school level. Whereas, the remaining numbers of respondents were graduates with the levels of certificate (5.4 %); diploma (38.3%) and first degree and or above (55 %) respectively. Hence, as the figures shown in the Table 3 above indicates it would possible to say that majority of the respondents were intellectuals in providing data relevant to the study, since they were found to be graduates from higher learning institutions and their responses could be dependable.

4.2. Pillar I analysis

The desire to reform public procurement and property administration system of the country was partly emerged from the need to laid down strong legal foundation/framework that regulate government procurement and property administration functions through a comprehensive procurement and property administration law. Law is presumed to be a more powerful instrument than administrative instructions for influencing behavior, where control over the public service is lax (Brooks and Demissie, 2009; and Admasu Mamo, 2008).

According to Thai (2009), the legal framework or law clearly cover the whole scope of public procurement and property administration and determines how different aspects of procurement and property administration functions will be carried out in the public organization and how people working in the public procurement and property administration functions should behave. Therefore, it has to be easily accessed by the users and be applicable to all procurements and property administrations undertaken by public institutions. Khi V. Thai, 2009 has argued that, ideally, procurement and property administration laws and regulations should be clear, consistent, comprehensive, and flexible.

Clarity, which requires procurement and property administration laws and regulations, should be carefully drafted to ensure that basic principles are clear for users. All procedural details should be clearly included in implementing regulations and directives. As well as, delegation of regulatory responsibilities at the central government, political subdivision, or agency levels should be clearly defined, as appropriate. Consistency, which can be achieved when procurement and property

administration provisions contained in different sources are well coordinated (i.e., there is no overlap or conflict, the hierarchy of the sources is clear, new provisions are promptly incorporated, and outdated provisions are repealed). Comprehensiveness, which entails that all relevant aspects of the procurement and property administration process are addressed (there are no gaps in the regulatory framework which allow “personal” or “distorting” interpretation of aspects of the process).

Accordingly, comprehensiveness of the existing public procurement and property administration laws and regulations in regulating government procurement and property administration functions in the region is analyzed below.

Table 4. questions rose to the sampled respondents to rate their response on the comprehensiveness of the existing public procurement and property administration legal framework.

Do you think that the procurement and property administration legal frameworks (proclamations, regulations, directives, operational manuals, user guides and instructions including the standard bid documents and formats) are;

Questions	Strongly disagree		Disagree		Have no idea		Agree		Strongly agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Comprehensively developed aligned to the separated role and responsibilities of each institutions involved in the practice	9	4.1	76	34.2	87	39.2	42	18.9	8	3.6
Available in your organization	15	6.8	32	14.4	74	33.3	78	35.1	22	9.9
Clearly understood and consistently implemented	36	16.22	97	43.7	18	8.11	57	25.7	14	6.31

Table 4

As the result in table 4 above indicates, it is a lower percentage (18.9 %) of the sampled respondents that get agreed and (3.6 %) of them strongly agreed to say that there were comprehensively drafted/developed public procurement and property administration legal frameworks in the region that is aligned to the separated role and responsibilities of each institutions involved in the practice. On the contrary, larger percentage (34.2%) of the sampled respondents were disagreed and (4.1%) of them strongly disagreed in the issue raised above while a considerable percentage (39.2%) of the sampled respondents were kept silence/be neutral to give their opinion.

Yet again, with respect to the analysis of availability of those legal documents (proclamation, regulation, directives, guidelines, operational manuals and other pertinent documents) that govern the practices of public procurement and property administration within the public institutions concerns, the quantitative result shown above in table 4 indicates, it is a lower percentage (14.4 %) of the sampled respondents that did not agree and (6.8%) of them strongly disagreed to say that the documents were available in their institutions. whereas, relatively larger percentage (35.1%) of the sampled respondents were agreed and (9.9%) of them strongly agreed in the issue raised above whilst a considerable percentage (33.3%) of them were kept silence/be neutral to give their opinion.

On the other hand, as it is indicated in table 4 above, it is a lower percentage (25.7%) of the sampled respondents that were agreed and (6.31%) of them strongly agreed while a considerable percentage (43.7%) of the sampled respondents were disagreed and (16.22%) of them strongly disagreed to say that those legal documents (proclamation, regulation, directives, guidelines, operational manuals and other pertinent documents) that govern the practices of public procurement and property administration were clearly understood by employees charged with the responsibilities of procurement and property administration and consistently implemented within the public institutions of the region. Relatively smaller percentage (8.11%) of the sampled respondents were kept silence/be neutral to give their opinion.

Likewise, as the qualitative data analysis done through review of secondary data and interviews made with knowledgeable key persons from the sampled institutions indicates, those legal documents (proclamation, regulation, directives, guidelines, operational manuals and other pertinent documents) that govern and guide the public procurement and property administration system in the region was issued.

- Proclamation No. 157/2010, a proclamation to install the Oromiya Regional State Procurement and Property Administration system;
- Regulation No. 134/2011, a regulation to establish an autonomous central public procurement and Property disposal institution named Oromia Public Procurement and Property disposal Agency – PPPDA;
- Directive No. 02/2012, a directive to govern the Oromiya Regional State Procurement system and
- Directive number 01/2012, a directive to govern the Oromiya National Regional State Property administration system.

Further, as the result of these qualitative data analysis revealed, however, those legal documents were issued, their functioning seen to be weak, lack comprehensiveness and outdated. The observed most important deficiencies of the existing legal and regulatory frameworks are listed below:

- I) In some areas, the framework lacked to clearly put the interpretation of existing terminologies, specifically list the items that generally indicated in the proclamation/regulations and to include all procedural details in implementing directives clearly. For instance,
- The procurements of supply of similarities goods and services which are commonly used by public bodies as well as goods and services that have national/regional strategic significance vested in PPPDA were not clearly specified and stated in the implementing regulation and directives. The interpretations and types of those goods and services having a common use and, or strategic features were not all in all specifically stated, identified and listed in the implementing regulation and directive.
- II) In some areas, the framework seems to have role/responsibility overlap or conflict of interest impeding consistency of the provisions. For instance,
- Pursuant to Proclamation No. 157/2010; article 51(1 – C) and part 6, article 30.1 of directive No. 02/2012 PPPDA is to be in charge of carrying out the tasks of preparing bidding documents, evaluating bids, negotiate and sign procurement contracts with successful bidders on behalf of the benefiting public bodies for a supply of common user items which may be valid for up to three years and generally administer procurement framework contract.
 - Similarly, Pursuant to part 6, article 30.11 of directive No. 02/2012 Public bodies benefiting from a framework contract shall, on the basis of the copy of the contract sent to them by the body administering framework contracts (PPPDA), issue purchase order to suppliers for requirements to be supplied as per the contract. Where appropriate, a Public Body may, in consultation with the body administering framework contracts, enter in to a supplementary contract with a supplier (sign procurement contracts with a supplier, administrate, monitor, terminate contracts). Also authorized to carry out procurement of recurrent requirements of similar items under the conditions set in the law.
- III) In the other hand, those supportive legal procurement documents were not clearly and comprehensively developed in a way they could be easily understood and implemented by the practitioners. For instance,
- The formats used to request procurement have observed to lack common procedural details that could be easily understood by every public institution,
 - The formats used to transfer disposed/sold public properties to the procuring body were not comprehensively developed. Besides,
 - The format that has been used for the bid evaluation seems complex. It has included procedural details and criteria that did not add value.
 - The existing standard bidding document was observed outdated. It seems complex and not developed in a way it could be easily understood and used by both the procuring public institutions and the local suppliers/contractors. It seems too complex and developed only in English language for both local and international procurements.
- IV) Moreover, the existing public procurement and property administration legal frameworks (proclamation, regulation, directives and instructions) were not developed by considering the procurement and property administration responsibilities being discharged currently by PPPDA, rather it predominately considered the role and responsibilities of the procuring public institutions themselves.

Hence, as the result of both quantitative and qualitative data analyses presented above under pillar I revealed, those legal and regulatory framework and documents governing/guiding the practices of public procurement and property administration were existing in most of public institutions of the region. However, these legal and regulatory frameworks were noticed outdated. Then, non – comprehensiveness and ambiguity of the existing legal and regulatory frameworks and presumed role/tasks and responsibility overlap in procurement and property administration function between the two major institutions involved in the practices (PPPDA and PBs) would have created gaps in the regulatory framework that allowed “personal/institutional” or “distorting” interpretation of aspects of the process and hence, resulted in non-standardization of formats and procedures used in the public procurement and property administration system of the region and an untidy and irregular procurements of commonly used as well as goods and services that have national/regional strategic significance by different public institutions of the region while the procurements of such items was intended to be undertaken at one stop by PPPDA.

Again, it was identified that, there was evidence of a lack of clarity/awareness amongst end users (employees charged with the responsibilities of public procurement and property administration) as to how to rigorously implement the existing procurement and property administration laws, rules and operational manuals. This might be attributed to the unclearly and incompletely developed procurement and property administration laws, rules, guidelines, operational manuals and a limited or lower competency of implementing personnel. This could imply that, risk of non-compliance with the agreed laws and rules across large numbers of public institutions of the region would prevail. Furthermore, the study identified that, there were divergence in procurement and property administration law and practices being underway within the public institutions. Even though those legal and regulatory framework and documents governing/guiding the practices of public procurement and property administration existed in most of public institutions of the region, compliance with these agreed laws, rules and guidelines was observed serious problem as different institutions’ were practicing procurement and property administration functions significantly different from each other. Hence, this might indicate that, little effort was expended by both the

regulatory body (BoFED/OoFED) and majority of the public institutions in ensuring that each activity of procurement and property administration has been undertaken in accordance with the agreed legal frameworks.

4.3. Pillar II analysis

Beyond enacting several layers of law or rules regulating the functions of public procurement and property administration, there is a need to rationalize the structure of the public procurement and property administration system to make public procurement and property utilizations more transparent, effective, efficient and accountable, and that contributes to the economic development endeavor of a Government. This requires the functions/operations of public procurement and property administrations to be arranged/organized under result oriented and well-performing organizational structure and units, each with specialized constitutional and administrative roles (WDR, 2000/2001).

The principle of institutional and structural setup for public procurement and property administration urges the creation and maintenance of organizational and administrative framework for the placement of the acquisition and property administration functions in the public sector organizations, with employees and stakeholders having clearly defined roles and responsibilities.

The Public procurement and property management reform being implemented in the region was therefore intended to have a harmonized central public procurement and property administration system that could facilitate the coordination of the procurement and property administration functions in government organizations and consistently arranged procurement and property administration structural setup within the government organizations that could lead to improvements in the operations.

Hence, this section presents the analysis and discussions of the public procurement and property management reform from the perspective of institutional and structural setup framework and attitude -related issues as a designed pillar of the public procurement and property management reform project being implementing in the region.

Table 5: questions raised to the sampled respondents to rate their response on the adequacy of the structures for public procurement and property administration functions and attitude of leaders and personnel' charged with the role and responsibilities of procurement and property administrations within the public institutions.

Questions	Strongly disagree		Disagree		Have no idea		Agree		Strongly agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
The structures for procurement and property management functions are adequately and uniformly established within the different public institutions of the region	19	8.6	102	45.95	21	9.5	69	31.1	11	4.9
The roles and responsibilities of the acquisition and property administration functions personnels' are clearly specified and communicated in each public institution of the region.	11	5.0	74	33.3	31	13.9	83	37.4	23	10.4
Leaders and procurement & property administration/storage staff view the acquisition & property administration functions of their institution as a strategic operation in achieving or supporting the institution's mission	41	18.47	127	57.21	15	6.76	32	14.41	7	3.15

Table 5

As the figures on table 5 above reveals, it was relatively a smaller percentage (31.1%) of the sampled respondents that get agreed and 4.9% of them strongly agreed to say that the structures for public procurement and property management functions were adequately and uniformly established within the different public institutions of the region while greater percentage (45.95%) of the sampled respondents were get disagreed and 8.6% of them too strongly disagreed. 9.5% of the sampled respondents decided to remain abstain to give their opinion on the question raised to them.

On the other hand, as the figures on table 5 above indicates, when 37.4% and 10.4% of the sampled respondents were respectively agreed and strongly agreed, a near percentages to these, 33.3% and 5.0% of the sampled respondents were respectively disagreed and strongly disagreed to say that, the roles and responsibilities of the acquisition and property administration functions personals' were clearly specified and communicated in each public institution of the region and the remaining percentage, 13.9% of them were kept silence/be neutral to give their opinion.

Regarding the analysis of procurement and property management attitude, the figure in table 5 indicates, only 14.41% and 3.15% of respondents were respectively get agreed and strongly agreed when the larger percentage, 57.21% and 18.47%

of them were respectively disagreed and strongly disagreed to say that leaders/managers and employees assigned with the procurement and property management functions within the public institutions were viewing the acquisition and property management functions as a strategic issue of the institutions and 6.76% of the respondents were kept silence/be neutral to give their opinion.

In addition, the result of qualitative data analysis done through review of secondary data, interviews made with knowledgeable key persons from the sampled institutions and researcher's personal observation indicates that, owing to Proclamation No. 157/2010 the regional public procurement and property administration operations and its management was arranged/organized under three (3) different forms of institutional and structural setups, each with specialized/specific legislative and administrative roles. Hence, the three institutional and structural setups arranged for the public procurement and property administration functions included:

- 1) BoFED that was established as a central regulatory body with the power and responsibilities to formulate and issue regional procurement and property administration policies, legislations, regulations, instructions and guidelines/manuals; capacitate, monitor, control, supervise and audit the procurement and property management performance of every public institutions of the region and the PPPDA. Accordingly, BoFED was discharging the central regulatory roles and responsibilities vested in it through one of its core process named "public procurement and property administration directorate".
- 2) PPPDA was established as an autonomous central procurement and property disposal office charged with the operational functions to carry out procurements of supply of similarities goods and services which are commonly used by public bodies as well as goods and services which has regional strategic significant, in the desired quality and at prices attributable to economies of scale resulting from bulk purchases and disposal of unused/unserviceable public properties on behalf of public institutions that uses budget of the regional state. It also mandated to assist and support public institutions in their procurement and property management activities. Accordingly, the agency has been carrying out simple to complex public procurements and disposing off unusable public properties on the behalf of public institutions of the region since its establishment.
- 3) PBs or institutions of the region apart from those specified in the directives have given the overall responsibilities for the procurements they carry out and the property they administer. Hence, PBs or institutions of the region have been undertaking procurements of low birr value goods and services and some other high birr value goods and services apart from those undertaken by PPPDA. Further, apart from disposal they have been administering their properties to the extent of their demand.

With respect to the attitudinal analysis the study revealed that, public procurement and property administration functions were not critically viewed as a strategic issue that could have strategic impact on the management of public resource and as a core business process that could lead to the institution's mission achievement. Rather, this function was merely treated as an administrative support function or largely as a process-oriented 'back office' support function, often implemented un - strategically by non-professional staff of the public institutions. Though, the regional public procurement and property administration operations and its management was arranged/organized under three (3) different forms of institutional and structural setups, its functioning has shown certain discrepancies. The most important deficiencies are listed below:

With respect to the structure that was arranged/established for the general procurement and property administration regulatory and oversight role the following hindrances was identified;

- Even though the core process of BoFED named as "public procurement and property administration directorate" has been discharging its responsibility of monitoring, and auditing procurement and property management performances of public institutions to ensure that the established legal and regulatory frameworks were complied with, the actual compliance checks, investigations and procurement and property management audits that could serve as a further tool for monitoring and evaluating procurement and property management performances of public institutions and could provide a basis for the enforcement actions to be taken were not fully/adequately and consistently done as planned by the aforementioned responsible core process/directorate of BoFED. Weakness of the "public procurement and property administration directorate" of BoFED to effectively discharge its general regulatory and oversight role might attribute to:
 - The insufficiency of its staff both in number and competency. All the procurement and property administration regulatory, monitoring, controlling, supervising, auditing, capacity building and other assigned responsibilities and functions has been undertaken only by eight (8) employees. Even the existing eight (8) employees were not adequately equipped with the required knowledge, skills and expertise needed to effectively accomplish the tasks they were assigned.
 - Lack of discretion given to the "public procurement and property administration directorate" of BoFED to decide on its operational matters (plan/schedule, budget, implementation, etc) by itself,
 - Lack of an investigatory power to suspend the public procurement and property administration process or certain components of it for the purpose of investigation and the legislative power to enforce legal actions (bring wrong doers in to court) by itself and thoroughly follow its enforcement. The core process (public procurement and property administration directorate) were merely mandated to recommend action when irregular and malpractices were discovered through its procurement and property management audits or other investigations.

Similarly, regarding the procurement and property administration structural arrangement established within public institutions of the region the following hindrances was identified;

- While some public institutions of the region have created such a separate structure “procurement and property administration work unit/division” and been managing the procurement and property administration activities through this structure, there were other institutions that have deviated from such structural setup and been managing their procurement and property administration activities through the budget and accounting work unit/division. Again,
- While some public institutions have established a procurement endorsing committee to approve procurements of high value and assures the appropriateness of procurement to be initiated in the public body, others did it not.

Similarly, analysis of the institutional structure established for the functioning of PPPDA indicated that,

- The agency (PPPDA) has lacked its organ/branch at the Zonal, City administration and Woredal levels and hence, its existence only at the Bureau level has created problem in undertaking efficient public procurements and property disposals in a more responsive way to the needs of public institutions of the region. This implies, the comparative advantages (achieving volume discounts, reducing shipping and handling charges, receiving better prices and better services offered by suppliers, minimizing duplication of procurements effort, and lowering overall transaction costs) that could have reaped on account of consolidated procurements undertaken by PPPDA at one stop has lost.

At the Zonal, City administration and Woredal levels it has observed that, both the operational (undertaking procurements) and regulatory (monitoring and auditing) functions were placed/structured in the organizational hierarchy of OoFED and been exclusively undertaken through its work process named “procurement and property administration” in its jurisdiction in a pool system. Hence this implies that, the room for check and balance has lost.

So, as it is tried to realize from both the quantitative and qualitative data analysis, though the initiated reform was intended to have uniform and harmonized public procurement and property administration institutional and structural setup that could facilitate coordination of the procurement and property administration functions within government institutions, the existing fact deviate from this cardinal principle. It is observed that, the existed public procurement and property administration institutional and structural setup was seen to be inadequate, fragmented, lacked flexible organizational coherence, harmonization, and not uniformly established within the different public institutions of the region and those procurement and property management key functions were not clearly specified, assigned, duly staffed with personnels who undertake differing activities and consistently communicated among every public institutions of the region. Hence, the above mentioned problems coupled with the mentality of viewing public procurement and property administration functions as non-strategic issue and treating it merely as an administrative support function has created problem in the procurement and property administration functioning of public institutions and the Agency (PPPDA) and resulted in perpetuated dalliances (increased procurement and property disposal lead – times) and poor quality of products procured. Such condition would also pave way for corruption and embezzlement of resources and thereby affected the efficiency and effectiveness of services provided by the public institutions. Therefore, due attention needs to be given to rectify the problem.

4.4. Pillar III analysis

Under this section the efficiency and effectiveness of public procurement and property administration functions analyzed in terms of the execution capacity of procuring personnel and associated training facilities.

4.4.1. Public Procurement and Property Administration Workforce

This section presents the analysis and discussion of procurement and property management functions execution capacity of public institutions of the region.

According to Sheoraj (2007), adequate capacity in the form of appropriate structures with fully skilled professional personnel is a key success factor for proper procurement and property management laws implementation.

A sound public procurement and property management system has to have a competent professional workforce equipped with defined skills and knowledge for specified procurement and property management jobs (OECD-DAC, 2006).

Public Procurement and property management professionals need a set of flexible skills and capabilities due to changing government contexts and changes to procurement processes, the introduction or expansion of alternative contracting approaches, and increased reliance on services provided by the private sector (Government Accountability Office, 2005).

No single skill can be adequate to manage the procurement and property management portfolio of great complexity in a government system. Public Procurement and property management tasks demand professionals with high-level strategic, tactical as well as operational skills. These skills should potentially take a broader supply chain multi-disciplinary and integrative approach (Government Accountability Office, 2005).

Then, the procurement and property management execution capacity of the employees charged with such responsibility within the public institutions of the region is analyzed below.

Table 6: questions raised to the sampled respondents to rate their response on the execution capacity of the procurement and property administration staff within the public institutions.

Procurement and property administration activities have been executed by:

Questions/Alternatives	Response Rate	
	Frequency	Percent
Professionals adequately equipped with the required knowledge, skills and expertise in the procurement and asset management functions	26	11.71
Some other professionals unrelated to the aforementioned function and lacking the required knowledge, skills and expertise to execute the procurement and asset management functions effectively	98	44.14
Accountants working in the budget and accounting department	61	27.47
Ad hoc committee arranged only when the task arises and where members of the committee may or may not possess the required knowledge, skills and expertise to execute the procurement and asset management functions effectively	37	16.66

Table 6

As it is seen on table 6 above, it was only a smaller percentage, 11.71% of the sampled respondents that said procurement and property administration operations have been executed by Professionals adequately equipped with the required knowledge, skills and expertise in the procurement and asset management functions while some other greater percentages of the sampled respondents, 44.14 % of them said, procurement and property administration activities have been executed by Professionals graduated with some other disciplines (accounting, economics, management, etc) apart from procurement and asset management profession and 27.47 % of them said, procurement and property administration activities have been executed by accountants working in the budget and accounting department/work unit of the public institutions. Similarly, 16.66 % of the sampled respondents were also said, procurement and property administration activities have been executed by ad hoc committee that was organized only when the task was arisen and where members of the committee might or might not possess the required knowledge, skills and expertise to execute the procurement and asset management functions effectively.

Besides, the result of qualitative data analysis done through review of secondary data and interviews made with knowledgeable key persons from the sampled institutions revealed that, there existed procurement and property management capacity problems at all levels (BoFED/OoFED, PPPDA and the various PBs). The interviewee has pointed out that, most personnel as signed with the responsibility to procure and administer public resources were nonprofessionals. They argued that, incompetency of these personnel were asserted on their perpetuated weaknesses in understanding procurement and property administration rules and manuals adequately and implementing it properly, low capacity in assessing demand/collecting procurement needs, conducting market study, preparing consolidated procurement and property management plan, preparing and evaluating bid documents, managing contracts, inability to register assets in their complete information, etc.

4.4.2. Training and Skills Development Program

This section presents the analysis and discussion of the building of professional infrastructure or professionalism in the public procurement and property management system of the region.

Training can be viewed as the acquisition of techniques, skills, knowledge and experiences to enable one function effectively in the performance of one's job. It gradually resulted in altering the behavior, knowledge and motivation of employees in a direction to increase the effectiveness and organizational goal achievement.

As it is written on the International handbook of public procurement [(edited by Khi V. Thai.p. cm. -- (Public administration and public policy; 146)], Procurement and property administration staff will require a mix of three sorts of training, depending upon the degree to which they are involved in procurement and property administration functions.

- I) Basic procurement and property management training,
- II) Training in personal, supplier and general management skills and,
- III) More advanced training in specialist procurement and property management skills

Walker (2003, p.7), argued that, good procurement and property management training involves training both government officials and private employees. Government staff and those involved in the business need to know about basic procurement and property management theory to apply it to the specifics, and training for government officials should not be limited to those in central government but also to all other parts of government institutions.

Then, the procurement and property management capacity building training effort is analyzed below.

Table 7: questions raised to the sampled respondents to rate their response on the effort of BoFED/OoFED and the public institutions in providing capacity building training opportunities for the procurement and property administration staff

Questions	Strongly disagree		Disagree		Have no idea		Agree		Strongly agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
BoFED/ OoFED has been providing programmed capacity development trainings to the procurement and property administration staff of public institutions of the region sustainably.	38	17.12	95	42.79	15	6.76	52	23.42	22	9.91
Public institutions of the region have been granting their procurement and property administration staff the opportunity for capacity development trainings program either on a short term or long term basis in a sustainable way.	36	16.22	97	43.7	18	8.11	57	25.7	14	6.31

Table 7

As the result in table 7 above shows, it is a lower percentage (23.42 %) of the sampled respondents that were agreed and (9.91 %) of them strongly agreed with the question stating that BoFED/ OoFED had been providing programmed capacity development trainings to the procurement and property administration staff of public institutions of the region in a sustainable program while larger percentage (42.79%) of the sampled respondents were disagreed and (17.12%) of them strongly disagreed on the issue raised above. The remaining 6.76% of the sampled respondents were kept silence/be neutral to give their opinion.

Similarly, when we look at the opportunity of training granted by the respective public institutions apart that is provided by BoFED/OoFED the analysis result revealed that, it is only 25.7 % of the sampled respondents that get agreed and 6.31 % of the too strongly agreed to say that public institutions of the region have been granting their procurement and property administration staff the opportunity for capacity development trainings program either on a short term or long term basis in a sustainable way while larger percentage (43.7%) of the sampled respondents were disagreed and (16.22%) of them strongly disagreed on the issue raised above. The remaining 8.11% of the sampled respondents were kept silence/be neutral to give their opinion.

Further, the result of qualitative data analysis done through review of secondary data and interviews made with knowledgeable key persons from the sampled institutions revealed that, there were limited and even to the extent that complete lack of training and education programs in public procurement and asset management - related areas that could have to be provided to the procurement and property administration staffs of public institutions of the region.

Both the quantitative and qualitative data analysis presented above under pillar III has identified the following major findings:

- 1) With respect to the procurement and property administration work forces' competency requirement the study result showed that,
 - Low procurement and property administration capacity among public institutions of the region: However, the initiated reform demands the availability of serious cadres of public procurement and property management professionals (a strong capacity of professionals' profile), inadequate competence level of employees charged with the responsibility of procurement and property administration were often cited as the most critical blockage hampering the procurement and property administration performances of public institutions. There were, however, great capacity disparities significantly across the board and between government institutions of the region. The problem was serious especially, at the Zonal, City administration and Woreda levels.
 - Similarly, low procurement and property administration capacity has identified at the level of PPPDA. PPPDA has been carrying out simple to complex procurements of supply of similarities goods and services which are commonly used by public bodies as well as has been disposing of unused/unserviceable public properties on behalf of public institutions that uses budget of Oromia national regional state since its establishment. However, the study has identified that the Agency was neither staffed nor structured sufficiently with competent staffs equipped with the necessary procurement and property management knowledge, skill and expertise.
 - At the level of BoFED too, lack of procurement and property administration monitoring, auditing, training provision capacity was also identified.
- 2) Regarding the level of professionalism requirements acknowledged and extent of the public procurement and property management training provision the study result shows that,
 - Within majority of public institutions responsibility for the execution of public procurement and property administration activities has not yet mandatorily recognized or guided by professionalism requirements like other professions. Keeping in mind the significant disparities across the board and between government institutions, the study reported that majority of employees charged with the responsibility of procurement and property administration functions within the Public institutions were not graduated or certified with public procurement and property management profession from

accredited institutions of higher learning and or other reputed institutions in this subject matter. It was observed that, most of the employees currently undertaking procurement and property administration functions within the public institutions were graduates in other discipline (Accounting, Economics, and Management among others). The problem was serious especially, at the Zonal, City administration and Woreda levels. This might indicate that, until recent period no accredited institutions of higher learning have contributed to the challenge of public procurement and asset management professionalism and certification by way of developing a curriculum that meets the particular needs of the public institutions.

➤ On the other hand, delivery of public procurement and property administration trainings and education programs for the end users were observed in short supply. No functional training and capacity development strategy was in place. As the study result reveals though certain trainings were offered by BoFED, these trainings suffered from the following deficiencies:

- The trainings were seen unsystematic, haphazard and not strategically designed keeping in mind the particular needs of the public institutions based on a skills gap inventory identified.
- Poor partnership approach in the handling of training programs. Stakeholders and collaborators were not tightly invited to offer trainings in some more collaborative ways.
- The provided trainings were not formally programmed and lacked consistency.
- The private sector actors were not well trained in a formally programmed training scheme.

So, the study identified that, the existing expertise within the government institutions of the region could not meet the need for specialized procurement and property administration knowledge and skill. Public procurement and property administration has found a neglected area of training and education.

The shorten supply of procurement and property administration trainings coupled with the existed lack of knowledge, skill and expertise by majority of the procurement and property administration staffs might have constrained ability of practitioners across the board to be current/competent with present procurement and property management practices in a rapidly changing market and technological environments and resulted in flimsily maintained procurement and property management requirements of desirable quality, timeliness (shortened led – time), cost (more than just the price), minimized business, financial and technical risks, maximized competition, and maintenance of integrity in the system. This situation has created greatest impediment to the success of the reform and might have led to bad governance.

4.5. Pillar IV Analysis

The efficiency and effectiveness, accountability, integrity and transparency of a public procurement and property management system rely on strongly installed systems, tools, processes and methods among others.

This section presents the analysis and discussion of procurement and property management systems, tools and procedures installed within the public institutions of the region to make the process of government acquisition and property management effective and efficient, accountable and transparent to a range of stakeholders and more responsive to changing circumstances.

Table 8: questions raised to the sampled respondents to rate their response on the strength of procurement and property management systems, tools and procedures installed within the public institutions of the region
Public institutions of the region have been adequately;

Questions	Strongly disagree		Disagree		Have no idea		Agree		Strongly agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Developing procurement plan by integrating it in to the institution's annual budget and undertake each procurement as planned	24	10.81	94	42.34	19	8.56	69	31.08	16	7.21
Utilizing latest IT based tools in undertaking their procurement and property management tasks	51	22.97	107	48.2	23	10.36	32	14.41	9	4.05
Keeping each and every procurement and property management related data/documents	23	10.4	102	45.9	25	11.3	66	29.7	6	2.7
Undertaking internal control actions and activities throughout their procurement and property utilization operations on ongoing basis	21	9.5	94	42.34	36	16.25	62	27.9	9	4.1
Preparing a report on their acquisition and property utilization activities and submitting it to BoFED/OoFED regularly	23	10.4	121	54.51	11	4.95	62	27.93	5	2.3

Table 8

As it is indicated in the International handbook of public procurement (edited by Khi V. Thai,2007), institutional procurement plans / Procurement demand management is integral to the budget process. It defines the decision-making process that allows institutions to procure at the right time, at the right place and at the right cost.

In a decentralized and hybrid public procurement and property administration system, the law requires each government procuring entity to prepare a procurement plan, detailing the time frame for each procurement in relation to the budget allocation and early submitting it to the central procurement and property administration regulatory and procuring bodies. As well as constituting an important mechanism for ensuring the timely commencement of action that may avoid unnecessary emergency procurements (Khi V. Thai,2007).

The quantitative analysis result seen on table 8 above indicates that, it is only 31.08% of the sampled respondents that get agreed and 7.21% of them strongly agreed with the question stating that public institutions of the region have been developing procurement plan integrated to the institution's annual budget, while 42.34% of the sampled respondents were disagreed and 10.81% of them strongly disagreed. The remaining 8.56% of the sampled respondents were kept silent to give their opinion.

Likewise, as the result of qualitative analysis indicates, many government entities were still faced with the challenges of improper procurement and property management planning and linking procurement demand to budget process of the institution. The interviewee pointed out that, most government institutions were unable to properly collect/identify procurement needs from their various work units/processes, conduct market study, prepare procurement request (PR) along with detailed specifications and schedule detailing the time frame for each procurement in relation to the budget allocation and early forward it to the central procurement and property administration regulatory (BoFED/OoFED) and procuring (PPPDA) bodies in advance of the fiscal year.

Hence, failure of most government institutions to well prepare and forward a procurement request (PR) to the central procuring body (PPPDA) in advance of the fiscal year has caused PPPDA to lack adequate information on the government institutions' procurement needs of the coming budget year in its effort to research markets and prepare a consolidated procurement plan and early present the developed plan to the concerned government body for approvals to initiate the real procurement action on time.

Deficiencies in public procurement planning reported above might meant that, most government institutions' procurements were not positioned to the strategic demand of the public institutions (consideration with institutions wide needs), rather most of the acquisitions was done on a contract-by-contract basis resulted in an excessive use of direct procurements or sole-source purchases and frequent emergency procurements made to meet routine or recurring institutions' needs. It also meant that, central procurement functions undertaken by PPPDA did not have access to accurate forecasts of what goods and services would be purchased to the government institutions in the following budget year, and were reliant upon incomplete and historic procurement demand data and market data resulted in troublesome/disrupted procurements at some point in the process, protested and delayed procurements by the agency (PPPDA).

Besides, lack of a cooperative system for the direct relationships/integration of the procurement and property administration function/work unit of the public institutions with the other functions of the institutions' themselves (finance, human resources, IT, etc.) and lack of close collaboration and coordination between the various public institutions of the region in the procurement and property administration practices had resulted in redundancy, inconsistency, and an inability to leverage public resources among the public institutions of the region to meet common or shared public services requirements.

The use of new **electronic communications and transaction processing** technologies by government institutions to automate and optimize their procurement and property management functions was also the other issue that got attention in the public procurement and property administration reform being implemented in the region.

So, as the quantitative analysis result seen on table 8 above indicates, it is only 14.41% of the sampled respondents that get agreed and 4.05% of them strongly agreed to say that public institutions of the region have been utilizing latest IT based tools in undertaking their procurement and property management functions while 48.2% of the sampled respondents were disagreed and 22.97% of them strongly disagreed. The remaining 10.36% of the sampled respondents were kept silent to give their opinion.

Supporting to the above analysis figures, the physical observation made by the researcher and result of interviews made with knowledgeable key persons from the sampled institutions indicates, most public institutions and PPPDA has been facing problem of using new **electronic communications and transaction processing** technologies to automate and optimize their procurement and property management functions. Simply procurements was still an overly manual process for the majority of institutions with manual support the institutions were identifying and contracting new suppliers for a given type of product, processing request estimates, submit requisitions, require and get approval, issue a purchase order to suppliers, receive bills, etc was handled manually. Majority of the public institutions including PPPDA lacked central contract database at their vicinity. They did not yet develop their own web site, that would serve them to promulgate the law, guidelines, and standard bidding documents, and which also let them placed useful information about their procurements to all actors. Hence, this implies that, majority of the public institutions including PPPDA were going through outdated data system that would resulted in over extended ordering and delivery times while complicating the procurement process, and increased the overall cost of handling procurement matters.

Likewise, Public procurement and property management data stewardship by the government institutions was also the other issue that got attention in the public procurement and property administration reform being implemented in the region.

As it is indicated in the International handbook of public procurement (edited by Khi V. Thai, 2007), Public procurement and property management data stewardship ensures that data captured and reported is accurate, accessible, timely, and usable for acquisition and property utilization decision making and activity monitoring. Effective Public procurement and property management data stewardship provides the structure, oversight, and assurance that data can be accurately translated into meaningful information about organizational procurement and property management activities.

So, as the quantitative analysis result seen on table 8 above indicates, it is only 29.7% of the sampled respondents that get agreed and 2.7% of them strongly agreed to say that public institutions of the region had been keeping each and every procurement and property management related data/documents of their institutions while 45.9% of the sampled respondents were disagreed and 10.4% of them strongly disagreed. The remaining 11.3% of the sampled respondents were kept silent to give their opinion.

Supporting to the above quantitative analysis figures, the physical observation made by the researcher and result of interviews made with knowledgeable key persons from the sampled institutions indicates, majority of public institutions' acquisition and property utilization data were not collected with suitable level of details, of the proper scope, relevant timing, content, grouped into logical categories and were not presented in an understandable standardized format to provide real value to users.

Apart from the opinions generated during the interviews made with knowledgeable key persons from the sampled institutions, poor procurement and property management-related record keeping/ documentation was observed within majority of public institutions at the time when the researcher was collecting preliminary research data. Among others some of the inadequacy (incomplete/poor) of procurement and property management-related data for the past 5 years was reflected with the following observations:

- Procurement plan along with the solicitation of purchase requisitions from each work process/unit, procurement request sent to PPPDA,
- A copy of the published advertisement,
- A copy of bidders, suppliers, contractors, or short-listed consultants queries, addendum (supplement/appendixes) issued by the public institutions together with supporting documents that evidence the communications of amendments made to all prospective bidders/shortlists,
- A copy of any invitation for pre-qualification, request for expressions of interest or other invitation documents,
- A copy of minutes of the bid opening; the minutes in addition to the deliberation and proceedings of the bid opening,
- A copy of all correspondences to and from bidders, short-listed consultants, suppliers, contractors, consultants, beneficiaries and stakeholders, and others connected with package/contract,
- The evaluation criteria stipulated and applied and summary of the evaluation and comparison of bids, proposals and quotation received,
- The record of approval of the bid/proposal evaluation report and the contract document,
- Information concerning any decision to suspend or cancel the proceedings after they have been initiated,
- Information on the proceeding of any decision rendered where a complaint against a procurement process is lodged,
- The grounds for using procurement procedure other than open bidding
- Delivery/acceptance reports, completion report and measurement books for procurement of goods and/or works and completion report for procurement of services; and
- All payment documentation including original copy of the bills and/or invoices for procurement of goods, works and service were not properly developed, filed, maintained and retained on a long-term basis in a manner they could be easily traced/accessible by authorized users.
- The value of fixed assets and inventories held at the hand of public institutions were not properly assessed periodically and included in the periodic/annual reports prepared by the institutions.
- Especially fixed assets were not registered in their complete information: Information related to type of the assets acquired, description, quantity, cost from acquisition to the end of their useful life-time, etc were not completely maintained and presented according to their category in an understandable standardized format. This has caused the institutions unable to properly differentiate useful assets from those quitted to provide service and has made the effort to dispose unused/unserviceable public properties very difficult.

Full set of acquisition and property administration-related performance data/information of majority of public institutions was generally lacking and where it did; it was not updated, reliable, complete, or accurate and not easily accessible to authorized users when needed.

Hence, deficiencies in the acquisition and property management-related data/information within majority of government institutions of the region discussed above might mean that, most procurements and property management-related decisions were made based on incomplete, or inaccurate and unreliable information resulting in poor procurement qualities and property management functions.

Installation of strong procurement and property management internal control system within the **government institutions** was also the other issue that got attention in the public procurement and property management reform being implemented in the region.

Internal controls, such as structures, policies, and procedures, promote efficiency, reduce the risk of asset loss, and help ensure that financial and acquisition management systems issue reliable reports and that the organization is in compliance with laws and regulations.

Effectively established internal control framework includes the plans, methods, and procedures used to meet an entity's missions, goals, and objectives. Tahi, 2010 argued that, it is essential that government acquisition and property management systems contain appropriate, cost-effective controls to safeguard assets, ensure accurate aggregation and reporting of information, and support the accomplishment of organizational objectives. Further, he had indicated internal control serves as the first line of defense in safeguarding public assets and preventing and detecting errors and fraud in government acquisition and property utilization activities. Hence, internal control actions and activities need to occur throughout public entity's procurement and property management operations and on an ongoing basis.

So, as the quantitative analysis result seen on table 8 above indicates, it is only 27.9% of the sampled respondents that get agreed and 4.1% of them strongly agreed to say that public institutions of the region have been undertaking internal control actions and activities throughout their procurement and property utilization operations on ongoing basis while 42.34% of the sampled respondents were disagreed and 9.5% of them strongly disagreed. The remaining 16.25% of the sampled respondents were kept silent to give their opinion.

Supporting to the above quantitative analysis figures, the review of secondary data and result of interviews made with knowledgeable key persons from the sampled institutions noted that, there were inadequate controls and procedures for the functioning of public procurement and property utilization responsibilities within majority of the public institutions. The interviewees have pointed out that, internal control monitoring did not occur in the course of normal operations, not performed continually, and not ingrained in the institution's procurement and property utilization operations. As they said the inadequacy of internal control and monitoring is asserted with the facts that, handling of bids; appointments of bid committee members were not aligned to policy requirements. Besides, whether the institutions' procurement contracts met cost, schedule, performance, and quality requirements or not was not adequately monitored and assured. The institutions' internal controls and monitoring system could not provide reasonable assurance that data was accurate, complete, timely, and reliable.

Hence, based on the results reported above it is possible to say that lack of permanent arrangements for internal control and surveillance would show absence of strong overseeing and watchdog mechanisms that would ensure the existence of proper accountability for procurement and property utilization operations within majority of public institutions of the region and has created the opportunities for various forms of malpractices and unethical conducts, including a high incidence of vested interests, interferences and insider dealings, and occasional cases of retrospective approval of procurement contract awards.

Therefore, based on the analysis results observed on each component of the reform program and discussions made above, it is possible to say that, the region's public procurement and property management reform efforts were being adversely affected by inadequate internal control monitoring and evolution mechanisms and in particular by the lack of comprehensive statistics on the value of goods and services procured and on the procurement process. The absence of such vital information has in turn, affected performance of the public procurement and property management reform strategy in the region.

Furthermore, installation of the culture/system to develop complete and comprehensive periodic procurement and property management performance reports by the procuring **government institutions** was also the other issue that got attention in the public procurement and property administration reform being implemented in the region.

The development of complete and comprehensive report of public procurement and property utilization performance by the public institutions will provide timely, accurate, and reliable information upon which public procurement and property utilization decisions making would be effected within the public institutions. Besides, a requirement on procuring government entities (PBs) to report regularly on the acquisition and property utilization activities they have made enables the regulator to identify possible malpractices in the government procurement and property management process and to compile statistical data on key indicators, such as the choice of procurement method. And hence, strong public procurement and property administration law requires each government procuring entity (PBs) to submit monthly reports on public procurement contracts placed, contract amendments, and contracts completed, together with a total value of micro procurements (contracts below specified threshold).

So, as the analysis result seen on table 8 above indicates, it is only 27.93% of the sampled respondents that get agreed and 2.3% of them strongly agreed to say that public institutions of the region have been preparing a report on their acquisition and property utilization activities and submitting it to BoFED/OoFED regularly while 54.51% of the sampled respondents were disagreed and 10.4% of them strongly disagreed. The remaining 4.95% of the sampled respondents were kept silent to give their opinion. Hence, this implies that lack of developing periodic procurement and property management reports by the majority of public institutions and submitting it to the central regulatory body (BoFED/OoFED) regularly would have caused problem to provide a good basis for controlling and monitoring procurement and property management performances of the public institutions and detecting irregularities.

4.6. Pillar V analysis

This section presents the analysis and discussion of the arrangements that were established under which customers/suppliers and stakeholders decide to collaborate closely in the public procurement and property management system of the regional state in order to deliver requirements such as cost reduction, improved quality or innovative solutions, rather than to conduct all their business at arm's length.

The creation of more supportive and cooperative government – business or private sector relationships in the public procurement and property management system will result in to lower costs, higher quality, and shorter product design and delivery times and provides continuous improvements in public procurement and property management functions across a country's public sector that deliver value for money and support increased efficiency.

Table 9: questions raised to the sampled respondents to rate their response on the adequacy of government – business or private sector relationships created in the procurement and property management system of the region.

Questions	Strongly disagree		Disagree		Have no idea		Agree		Strongly agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
PPPPDA and the various public institutions of the region have put in place arrangements under which stakeholders, customers and suppliers decide to collaborate/work closely with the them in the public procurement and property management system	53	23.87	118	53.15	23	10.36	21	9.46	7	3.15

Table 9

As the result in table 9 above indicates, it is a lower percentage (9.46 %) of the sampled respondents that had agreed and (3.15 %) of them strongly agreed to say that there was adequately established system under which customers/suppliers and stakeholders decided to collaborate/work closely in the public procurement and property management system of the regional state. On the contrary, larger percentage (53.15%) of the sampled respondents were disagreed and (23.87%) of them strongly disagreed in the issue raised above while the remaining percentage (10.36%) of the sampled respondents were kept silence/be neutral to give their opinion.

Besides, the qualitative analysis result reveals that, there was weakly established and maintained suppliers'/stakeholders relationships management approach in the public procurement and property management system of the regional state. It was pointed out that; majority of public institutions of the region lacked to put in place proactive mechanisms for holding regular discussion forums, seminars and meetings with the business community (suppliers, contractors, etc) and stakeholders from across sectors to discuss on broader public procurement and property management issues and let them provide suggestions on improvements to be done in the acquisition processes of government institutions.

Therefore, because of the limited consultation or lack of closely managed relationships it is possible to say that citizens, the business community (potential suppliers and contractors of property and services) and stakeholders did not have full access to information on public procurement and property management requirements (rules governing public procurements and decision-making criteria) and hence, these actors were not effectively held accountable for their engagements in the public procurement and property management system of the regional state. Moreover, it meat that, the cardinal principle of transparency that requires information regarding the public procurement and property management processes should be in the public domain was lacking within the majority of public institutions' procurement and property management system.

5. Conclusions and Recommendations

This chapter presents the major concluding remarks reached based on findings of the analyzed five pillars of public procurement and property management reform and the proposed recommendations to be applied on key findings of the study to ensure a successful public procurement and property management reform implementation in the region.

5.1. Conclusion

As it is clearly indicated in the literature review section of the study, the public procurement and property management reform is built on five pillars. Weaknesses in any one of the five pillars will lead to an unsound public procurement and property management system.

Generally, findings of the study show that, though the regional state has been doing so far in reforming its procurement and asset management system, it is still in the midst of implementing the public procurement and property management reform initiated. The reform was not being implemented appropriately as designed.

The attainment of modern, effective, efficient, accountable, transparent and responsive public procurement and asset management system that adds more value for public money is still circumscribed with the deficiencies of legal and regulatory

frameworks, institutional/structural frameworks, execution capacity, systems, tools, processes, and government – private sector/stakeholders partnership arrangements and so, it is concluded that the on-going public procurement and asset management reform being implemented in the region has not yet successfully attained its objectives. Therefore, the problem demands a thorough analysis to be conducted in this area and also great commitments of all aspects from all actors of the system (government, private sector, stakeholders, civil societies, citizens and the media) need to be exerted in order to fill the gap and so successfully attain objectives of the reform.

5.2. Recommendations

Based on the identified major findings of this study the following recommendations are suggested to ensure a successful public procurement and property management reform implementation in the region. The recommendations are made on the five public procurement and property management reform implementation pillars.

- i. The regional government needs to amend the existing public procurement and property administration directives and regulations.
- ii. The present procurement and property administration manuals and guidelines should be reviewed and updated in a way they will be easily understood and utilized by the practitioners uniformly across the board.
- iii. The regional government should consider the establishment of an autonomous regulatory institution named "Central public Procurement and property administration Regulatory Office" with the required discretion and investigative power.
- iv. The regional government should consider the establishment of branch offices of Public Procurement and Property Disposal Agency (PPPDA) at Zonal, City administration and woreda levels.
- v. The regional government should consider the re-structuring of public procurement and property administration functions in the government institutions' operational hierarchy. Hence, a separate structure (work unit/division) for the execution of procurement and property administration functions should be created uniformly within the structural hierarchy of each public institution of the region. In addition, every public institution of the region should establish a procurement endorsing committee and work with it properly.
- vi. Public procurement and property management reform will achieve its objectives if there is a deliberate strategy of investment in the work force. Therefore, it is critically recommended that; Public institutions of the region including the proposed new central regulatory institution to be established should design capacity building strategy, including training programs that would help address constraints of the public procurement and property management system identified in the study and strengthen the capacity of all actors (public officials, procurement and property administration personnel, business community, stakeholders and other practitioners) involved in the public procurement and property management system.
- vii. Institutions of higher learning and other training providers in the region should be encouraged to contribute to the public procurement and property management capacity building endeavor by way of developing a curriculum that meets the particular needs and requirements of government procurements and property management. Consequently, owing to its mandate to ensure capacity development initiatives across the civil service sector of the region, Public Service College of Oromia (PSCO) should work in collaboration with the proposed new central regulatory institution to be established and public institutions of the region in order to impart both conceptual and technical skills that help to improve procurement and property administration practitioners' competencies, and at the same time change their attitudes.
- viii. Public institutions of the region should give due attention to professionalism in the recruitment and assignment of public procurement and property administration employees/officers.
- ix. Public institutions of the region should be strictly required to adhere to the procurement and property administration manuals and guidelines while undertaking procurement and property administration activities.
- x. Public institutions of the region should integrate the public procurement and property management system with their budgeting and other functional tasks.
- xi. Public institutions of the region should streamline their procurement and property management processes through greater use of latest IT systems-based approach.
- xii. Public institutions of the region should install a sound system and norms (security protocols) for the complete maintenance and safekeeping of records and documents related to their procurement and property utilization transactions.
- xiii. Public institutions of the region should install strong internal control monitoring system that is deep-rooted to their procurement and property utilization operations and then, should be performed continually in the course of every procurement and property utilization activities.
- xiv. Public institutions of the region should install effective equality control and assurance framework and should adhere to the established procedures in undertaking procurement and property management activities.
- xv. Public institutions of the region should put in place effective arrangements under which customers (potential suppliers, contractors, consultants, etc) and stakeholders decide to collaborate and closely work with the institutions in order to

deliver requirements such as cost reduction, improved quality or innovative solutions and provide their views in the areas needing improvements in public procurements rather than conducting all their business at arm's length.

6. References

- i. Admasu, M. B. (2001). Public procurement strategic plan. Addis Abeba.
- ii. Assessment of the procurement system in Kenya. (2007, October 25). Nairobi: Public procurement oversight Authority.
- iii. Benon, B. A. (2009). Public procurement reforms in Africa, a Tool for Effective Governance of the Public Sector and Poverty Reduction.
- iv. BPR study document. (2006, September 5). Finfinne: Oromia public procurement and property disposal agency.
- v. Etefa. (2006). anassessment of public procurement and property management practices in Ethiopia.
- vi. Federal public procurement directive, a directive to govern the Ethiopian Federal Government Procurement and Property Administration system. (2010, June 10).Addis Abeba: Ministry of finance and economic development.
- vii. Identifying the challenges of public procurement and asset management, a workshop proceeding towards the performance of public procurement and property disposal agency at the Federal and Regional States of Ethiopia. (2013, July 5).Addis Abeba: jointly organized by the ECSU and FPPA.
- viii. Khi V. T. (2009). International Handbook of Public Procurement. LLC:Taylor & Francis Group.
- ix. Procurement and property management performance audit, with respect of the performance of four selected Zones, City administrations and Woredas in the region. (2007). Finfinne: Ormia bureau of finance and economic development.
- x. Regional public procurement directive, a directive to govern the Oromia regional state procurement system. (2012, September 16).Finfinnee: Ormia bureau of finance and economic development.