

TIB DESIGNING CONSTRUCTION AND INSTALLATION SERVICES

TOCHI Company is one among three main companies under the Ministry responsible for infrastructures in Tanzania. Initially the company's functions were designing, construction and installation of road transport infrastructures like bus stops, lay-bys and road marking. In 2000 the company decided to expand its operations and started offering infrastructure and heavy construction services such as construction of tunnels, roads bridges, highways, transit systems and pipelines all over the country. During that period, procurement was a fairly new term that was just recently becoming known to the company. Most procurement related activities were handled by non-procurement professionals to the extent of hampering effectiveness of company's procurement function. The overall performance of procurement function was unsatisfactory due to poor integration of public procurement system with national budgeting procedures as well as lack of attractive investment climates. Engineers had been functioning as procurement managers but focused more on their line activities rather than procurement works and in most cases they were not complying to public procurement ethics and guidelines. Existing procureent mulpractices as well as non compliances to procurement guidelines by the company caused international financing institutions becoming more reluctant to provide loans or donate funds to the company. The reluctance of financial institutions to a large extent affected the financial stability of the company which ultemetely resulted into company's failure to pay its suppliers, contractors and service providers

In one of undertakings, two senior engineers engaged a supplier associated with them to supply and deliver various types equipment for the construction of four bridges in Mkuranga, Makutopora, Maramba and Mtelezo. Although the cost of equipment was beyond the threshold of the officials, they managed to initiate and finalize the bidding process. The officials received the bids, evaluated and recommended the most responsive bidder and the same officials considered the recommendations and awarded the contract. The same officials approved payments to the supplier in installments involving amounts slightly below their threshold. The officials were arrested and charged for the offence of willful non-adherence to public procurement act and its regulations. They were prosecuted in the subordinate court of the jurisdiction of that District. The duo was convicted and sentenced to seven years imprisonment.

After such incidence everyone recognized that procurement management in the company needed to be an established career path position and that some structured process had to be implemented for procurement management by responding to the global public procurement reform. In 2005, senior management at TIB recognized that its future growth and operations could well be determined by how quickly and how well it implements public procurement law. In order to instill that to employees, a consultant was brought into the company to provide initial training on how to effectively manage procurement in public procuring entities. The training programs started in 2006 and by 2009 almost all targeted employees were successfully trained and placed in different projects executed by the company.

On the other hand a team of five employees was appointed by accounting officer to catalyze the process of transforming the company`s procurement function to reflect Tanzania public procurement reform. At last the team managed to design an appropriate legal institutional framework for public procurement that could enhance effective management of public procurement. As a result of the established institutional framework, different organs including Purchasing Unit were established in order to effectively manage procurement undertakings

The head of an established Purchasing Unit recommended the application of electronic procurement systems for simplifying procurement process. Despite of conflicting views and interests by employees on the acceptance and applicability of the recommended system, the top management positively responded to the recommendations of procurement management unit and appointed the special committee to conduct feasibility study and come up with the report on how to effectively implement the proposed system. In 2014 the company finalized the investment of the proposed system and that demonstrated the remarkable stage of the reform by the company

After two years of using electronic procurement system, frequent complaints on the complexity of the system were reported by stakeholders from within and outside the company. The complaints increased to the extent of some employees completely neglecting to use the system. Suppliers, contractors and service providers on the other hand advised the company to rethink on the implementation of the system as it had a lot of challenges that affected their performances.

As complaints increased, the company brought in a consultant to investigate the reasons of the reported challenges and recommend on the best way to overcome those challenges. The main source of all the challenges reported by the consultant was lack of awareness on electronic procurement by stakeholders therefore recommended the training on electronic procurement to all employees involved in procurement process. In implementing the recommendations of the Consultant, the management organized training on electronic procurement to all key employees involved in procurement process.

After the training many employees were satisfied that electronic procurement system had many advantages compared to disadvantages. Furthermore trained employees suggested that the same training should be offered to external stakeholders as it was formally found that some of the challenges of implementing the system were caused by external stakeholders. Again after the training with external stakeholders, electronic procurement system was smoothly implemented by the company and the success to failure ratio on procurement performance increased dramatically.