



COMPARATIVE EFFECT OF PROCUREMENT PLANNING AND CONTRACT MANAGEMENT ON PERFORMANCE OF PUBLIC INSTITUTIONS IN RWANDA. CASE OF RWANDA FOOD AND DRUGS AUTHORITY.

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Abstract

This study was carried out to assess the effect of procurement planning; and contract management on performance of public institutions in Rwanda with the case of study Rwanda Food and Drugs Authority (Rwanda FDA). The descriptive research design was used and the population of this study is 196 employees from RWANDA FDA whereby 131 were selected as sample to provide primary data for this study. Simple random, purposive and census sampling techniques were used for the study. The questionnaires were used to collect data; and the data were analyzed by using descriptive statistics and inferential statistics. The findings revealed that procurement planning($r=0.843$), and contract management($r=0.890$) are strong positively corrected to performance of Rwanda FDA as all correlation coefficients(r) are above 0.7. With regression analysis; R-Square ($R^2=0.908$ or 90.8%)

indicated; the performance of Rwanda FDA at the level of (90.8%) as result of good procurement planning, and contract management in procurement process. This implies that; procurement planning contributes at (28.9%); and contract management contributes at (25.2%) respectively to overall performance of Rwanda FDA.

Key words: Procurement planning; contract management; performance

1. INTRODUCTION

The international Public Procurement Conference (IPPC) has provided information in public procurement among international experts in the field of procurement, and enables public institutions to achieve on procurement objectives of such as quality, timeliness, cost effective, minimizing business risks, financial and technical risks, maximizing competition, and maintaining

integrity among departments (World Bank , 2016). Many Public administrators are now using procurement policy of countries to guarantee the quality of purchased products or services and balancing financial performance of organization by developing the sustainable criteria that is used in different stages of procurement process (IADB, 2016). The procurement has played a significant role in helping the public institutions to achieve on their objectives in terms of cost reduction, value of money and preventing uncertainty business environment (COMESA, 2014). The procurement is essential for enabling the East African Countries to carry out their mandate within domain of good governance, accountability, borrowing procedures, and to establish the most appropriate policies and procedures to meet East African Community needs.

To be successful, the procurement process should be well understood by the actors such as government, the procuring entities and the business community or suppliers and other stakeholders, including professionals, academic entities and the public at large (Makabira & Waiganjo, 2014). The Government of Rwanda was moving toward modernizing its procurement function to improve compliance, efficiency, transparency, fair competition, value for money, and controls in public procurement. Therefore, Rwanda put in place a policy for modernization and professionalization of the procurement function to help achieving on these objectives (World Bank Groups , 2020). In procurement

perspective, the planning encompasses an organization's goals, by establishing an overall strategy for achieving those goals, and developing a comprehensive hierarchy of plans to integrate and coordinate the procurement activities (Monczka, Trent, & Handfield, 2002). Contract management is the monitoring and control of contractor performance to ensure optimal outcomes from a contract. It includes Contract Management Plan, mobilizing relevant human resources, monitoring progress toward delivery of contract deliverables, managing payments, controlling variations, measuring contractor performance, and closing out the contract (ADB, 2021).

Public procurement in Rwanda is governed by the Law on Public Procurement No. 62/2018 of 25/08/2018 and ministerial order No. 002/20/10/TC of 19/05/2020 establishing the public procurement regulations and standard bidding documents (RPPA, 2020, p. 2020). Public Procurement in Rwanda is focused on the fundamental principles such as transparency; competition; economy; efficiency; fairness and accountability. Rwanda Public Procurement Authority(RPPA) was established to ensure the (1) analysis and supervision in public procurement matters; (2) advise the Government and all public procurement organs on the policies and strategies in matters related to the organization of public procurement; (3) control

activities of awarding public contracts and their execution; (4) develop professionalism of the staff involved in public procurement; (5) put in place standard bidding documents, bid evaluation reports and other standard documents for use by public procuring entities (RPPA, 2020). The professionalization of procurement function in Rwanda; is based on regular trainings to meet the requirements of 'skill gaps' of all the actors in procurement (including decision makers, oversight and control bodies, private sector, and Civil Society Organizations); to enhance public institutions 'performance in the area planning and use of public resources (MINECOFIN, 2021).

1.1.Statement of the problem

Public agencies, ministries, public universities and schools procure goods and services through a process guided by the public procurement law. However, some bidders are lacking professionalism and ethics in participating in the procurement process, a challenge that sometimes leads to illegal practices, such as the submission of forged documents, and fraud documents due to disqualification (World Bank Groups, 2020).

The weakness of procurement structure is mostly associated with, poor procurement planning and failure to manage procurement contract. Therefore, the resulted to unclear specification and requirement of goods or services, inability for assessing supplier's capacities, lack of transparency in awarding contract, accidental

orders, continuing in working with inflexible suppliers, ignoring the cost of time in delivering, and tolerating unnecessary contract risks (UNDP, 2007).

As per findings of there are several non-compliances in the procurement process and contract implementation, these included; lack of clear technical specifications, lengthy bidding process, non-permissible price negotiations, use of discriminatory criteria for open tenders, poor record keeping, excessive delays in contract execution, and resolution of issues with contractors (Kayitesi, Rukundo, & Karangwayire, 2017).

In both private and public sectors, the poor procurement practices caused financial loss due to delivery of poor-quality goods or services; similarly, poor performance of organization is usually due to incompetent staff, traditional procurement procedures and poor coordination of procurement activities and lack of proper regulations. The most of problems arise in procurement process of public institutions are associated with poor procurement planning and poor management of binding contracts (Juma, 2010).

It seems that, there is gap to be filled and addressed with evidence from the study about, good procurement planning and contract management can enhance the performance of public institutions in

Rwanda. In this regard, the study intends to examine effect of procurement planning, contract management on performance of public institutions in Rwanda with case study of Rwanda Food and Drugs Authority.

1.2.Objectives of the study

The general objective of this study was to compare the effect of procurement planning and contract management on performance of public institutions in Rwanda with case study of Rwanda Food and Drugs Authority (RWANDA FDA).

The specific objectives were the following;

- i. To examine the effect of procurement planning on performance of Rwanda Food and Drugs Authority (Rwanda FDA);
- ii. To examine the effect of contract management on performance of Rwanda Food and Drugs Authority (Rwanda FDA);

1.3. Significance of the study

This study is significant because it was used to generate the findings that will be used in decision making by planners, and policy makers of public institutions. In addition, the study will be useful for community as the study provides the evidences on the good procurement planning and contract management which are important to public institutions for procuring goods and services.

1.4.Scope of the study

The study is concerned with public institutions of Rwanda, and therefore, the Rwanda Food and Drugs Authority (RWANDA FDA) as public institution is chosen for case of the study. The reasons for choosing this public institution, it is one involved in large number of contractual agreements to procure and to deliver goods, services to clients and therefore, researcher is willing to get useful data due to high involvement of this government agency in procurement' activities.

2. LITERATURE REVIEW

2.1.Theoretical Review

An agency theory describes these relationships using a document of contract and this enacted in a broad social context for adopting organizational policies in order to discourage self-interested behavior of agents (Lionjanga, 2014). The agency relationships appear one of the parties must act on behalf of on other to perform specific tasks. The agent model is therefore interest of the contracting between public institutions and agencies to achieve the best value for money and generate benefits through supply chain management for the organization, the society, economy and environment (Thai, 2007). Outsourcing is one of procurement strategy that enables the organization to contracting out in order to deliver the quality and stable products or services. The resource-based

theory, is to give important insights in contribution for an organization in the process of outsourcing contracts which are specified in procurement partnerships. Therefore, this theory, provides an implication for which activities are core competence, that should be produced internally and those may be outsourced by other party in relationship (Talaja, 2012).

2.2. Conceptual Review

The ultimate goal of procurement planning is to coordinate and integrating actions to fulfill the needs of goods, services in a timely manner, and at a reasonable cost (Basheka, 2008).

In procurement perspective, the planning encompasses an organization's goals, by establishing an overall strategy for achieving those goals, and developing a comprehensive hierarchy of plans to integrate and coordinate the procurement activities (Monczka, Trent, & Handfield, 2002). The aim of procurement practices within the organization, is to anticipate organizational requirements, through outsourcing, and obtaining supplies, moving supplies into the organization, and monitor the quality and status of supplies as current assets of organizations (Lloyd, 2004). The procurement planning, is a function sets for procurement channel, and it is a process

of determining the needs of an entity, funding options, timing needed and their acquisitions (Arrowsmith & Trybus, 2003).

In developing countries like Rwanda, the public procurement is recognized as essential in-service delivery (Rotich, 2011) and it accounts for a high proportion of total government expenditures.

Contract management is the monitoring and control of contractor performance to ensure optimal outcomes from a contract. It includes Contract Management Plan (CMP), mobilizing relevant human resources, monitoring progress toward delivery of contract deliverables, managing payments, controlling variations, measuring contractor performance, and closing out the contract (ADB, 2021).

Good procurement, is essential to ensure good public services, from buying works, goods and services that work as they are supposed to be performed, and achieving savings that can be ploughed back into front-line services. Circumstances may change over the life of a contract, so contract management also involves managing changes and variations in terms of deliverables(scope), quality and prices (World Bank , 2018). Contract management continues throughout the life-cycle of the contract. This means that the organization

have to follow the hierarchical steps for contractual management and being successful. Procurement Contract Management (PCM) enables procurement councils and their suppliers to meet their contractual obligations at an agreed, scope, time, cost and quality (World Bank , 2018).

2.3. Empirical Review

James, (2004) said that, procurement planning helps to answer the questions concerning to needs of organizations such as what organization or institution wants to procure; when to procure these; where to procure; which resources available for us; the methods to be used in procurement process; and people to be involved in the procurement.

According to Basheka (2008), procurement planning is the major function that sets the stage for procurement activities to enhance the organizations to achieve on its objectives. The study conducted by Walter, Christopher, and Kepha (2015), revealed that; good procurement plan describes the process in detail to select the good suppliers to fit the needs or requirements of procuring organizations. Basheka, Oluka, and Mugurusi (2015) said, that procurement planning contributes to success of institution operation, improves service delivery, and helps in achieving maximum value for expenditures on services to be delivered.

Karanja and Kiarie (2015) carried out the study on influence of procurement practices on

organizational performance and they found that, there is a positive and significant relationship between procurement plan and performance of an organization. Masanja and Mgawe (2018), conducted the study on influence of procurement practices on performance of construction projects, then concluded the study by demonstrating that, institutions should give priority on procurement planning as it facilitates resource utilization and ensures time delivery or completion of the projects. Mahuwi and Panga (2020), conducted the study on procurement best practices and performance of public institutions in Tanzania with experience from higher learning institutions. Therefore, findings revealed that, procurement planning activities were significant at $P \leq 0.05$ to performance of higher learning institutions of Tanzania, and they concluded that; monitoring of procurement activities, staff training and procurement planning are essential for performance of public institutions.

According to Kipkemoi (2017), showed the correlation between performance contracting strategy and public sector reforms and how they impact on institutions performance. The study established that; performance contracting is a vehicle to achieve reform in the new public management and its use as a

strategy in the government institutions, leading to efficiency gains, improved service delivery and competitiveness.

Procurement best practices are influenced mainly by institution's policies and procedures that are determined by the management and always are in the planning stages and contract management for procurement processes. Akumuntu(2019), concluded that, procurement best practices help an institution to archive its contractual procurement objectives such as supplies of right quality, required quantity, delivered at right time and from the right supplier. According to Bairo (2020), conducted his study on influence of procurement processes on performance in Tanzania Public Sector and the findings indicated that; the performance of public procurement activities, is influenced by contract management ($\beta=0.975$, t-statistics = 3.584 and p-value = 0.001). The compliance with contract condition and contract documentation in procurement process were significant associated with performance of public institutions. Wanjiru and Mwangangi(2020), indicated that R square value of (0.647) means that 64.7% of the corresponding variation in performance of public hospitals in Kenya can be explained or

predicted by (contract planning, monitoring and evaluation, contractor relationship management and dispute resolution).

They concluded that, contract planning, monitoring and evaluation, contractor relationship management, dispute resolution have a positive relationship with performance of public hospitals in Kenya. Ondieki and Oteki(2015), concluded that, an organization benefits greatly when contractor relationship management is embraced in their procurement department.

2.4. Conceptual framework of the study

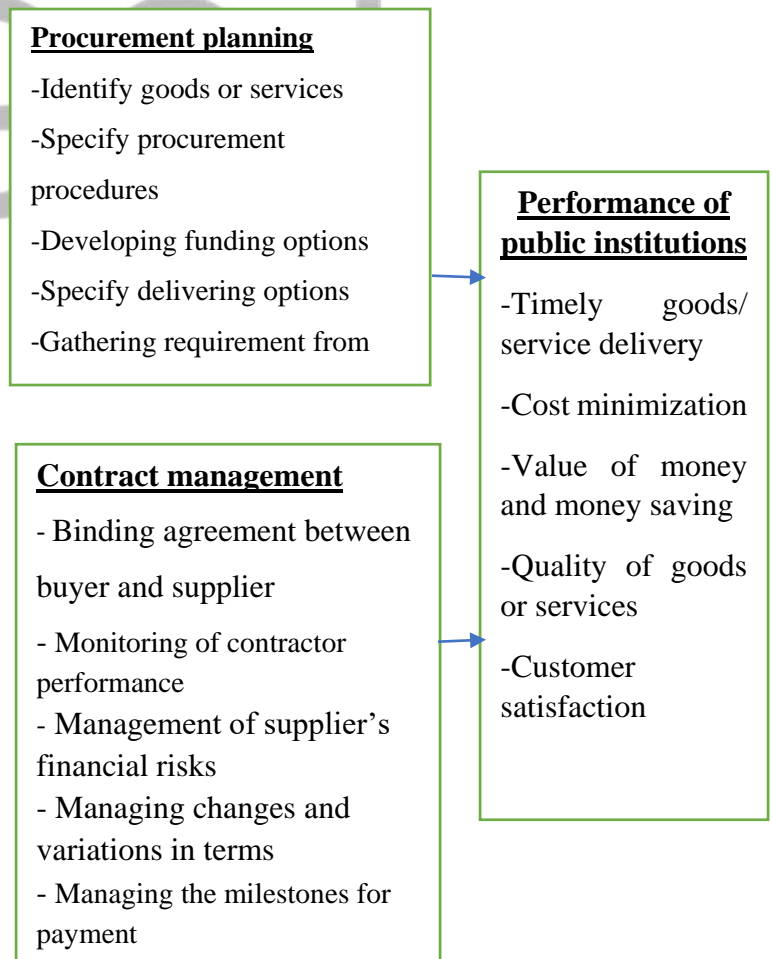


Fig1: Conceptualization of study variables

3. RESEARCH METHODOLOGY

This study was used descriptive and correlational research design. The descriptive study design is concerned with manipulation of study variables to deal with what, or how independent variables are affected the dependent variables (Amin, 2005). Under this research design, the quantitative approach was used to collect quantifiable information for statistical analysis of population sample. The population of this study, are employees (196) of Rwanda Food and Drugs Authority (RWANDA FDA). The sample size is a part of population selected to represent the whole population under the study.

The Solvin's formula is used to determine the sample size.

$$n = N/1+N(e^2)$$

whereby n = Sample size; N = Population

e = Level of significance or Marginal error (5%) thus,

$$n = N/1+N(e^2) = 196/ [1+196(0.05)^2]$$

$n = 131$. The purposive sampling was used to choose the right respondents in order to obtain the rich information in regards to objectives of this study. Census sampling was used to select officials from departments that perform the work in relation to procurement activities in Rwanda Food and Drugs Authority.

The data collection was performed through questionnaires and documentary review. The self-administered questionnaire contains a series of open-ended questions were developed and these were distributed to officials from Rwanda Foods and Drugs Authority (RWANDA FDA).

The officials' documents from RWANDA FDA, RPPA, MINECOFIN, UNDP, OECD, ADB, IDDB, IPPC; World Bank and newspapers, journals, dissertations, textbooks, have been used to collect secondary data with purposes of supporting the primary data of this study.

The Statistical Package for Social Sciences (SPSS) was used for data analysis. The descriptive statistics analyzes, such as, frequencies, mean, standard deviations, and valiances were used to interpret the findings.

The multiple regression model under this study takes; the following form

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon$$

Where;

Y = Performance of RFDA;

β_0 = Constant of Equation or Intercept

$\beta_1, \beta_2, \beta_3$, = Regression coefficients

X_1 = Procurement planning

X_2 : Contract management for procurement

ϵ = Error term.

4. FINDINGS

This section presents the results, and undergo its discussion with comparison to findings from different studies specified in chapter two. The chapter starts with demographic characteristics of respondents, then presents the findings of specific objectives of the study and end with correlation and regression analysis; in order to indicate relationship of variables under the study with evidence from the study.

4.1. Demographic characteristics of respondents

The questionnaires were distributed to 131 respondents but those returned back were 129 as indicated in the following table;

Table1. Returning rate of questionnaires

	Questionnaires	Return rate (%)
Returned	129	98.5%
Non returned back	2	1.5%
Total	131	100%

Source: Primary data,2022

The findings in table 1; indicates that,129(98.5%) questionnaires were successfully answered and returned back while 2(1.5%) were not returned back.

Table2. Gender of respondents

Source: Primary data,2022

The findings presented in table2 indicated

		Freq	Valid (%)	Cumulative (%)
Valid	Male	75	58.1	58.1
	Female	54	41.9	100.0
Total		129	100.0	

that,75(58.1%) respondents were males while 54(41.9%) were females, this implies that number of males is high that number of females working in Rwanda FDA.

Table 3. Age of respondents

		Freq	Valid (%)	Cumulative (%)
Valid	21-30	58	45.0	45.0
	31-40	35	27.1	72.1
	41-50	24	18.6	90.7
	51-60	12	9.3	100.0
	Total	129	100.0	

Source: Primary data,2022

The findings presented in table 3, revealed that 58(45.0%) respondents are aged (21-30 years); 35(27.1%) aged (31-40 years); 24(18.6%) aged(41-50years); and 12(9.3%) of respondents are aged (51-60). The findings indicated that; the majority of Rwanda FDA employees are young fresh graduates, 58(45.0%) with age category between 21-30 years. This implied that, young employees hold the strong power of the organization that make it, stayed in high performance situation until their age of retirement, and the organization.

Table 4. Education of respondents

		Fre q	Valid (%)	Cumulative (%)
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Valid	Secondary	0.00	0.00	0.00
	Bachelor	70	54.3	54.3
	Master	57	44.2	98.4
	PhD	2	1.6	100.0
	Total	129	100.0	

Source: Primary data,2022

The findings in table 4.8 revealed that; 70(54.3%) respondents hold Bachelor’s degree, 57(44.2%) are holders of master’s degree; and 3(1.6) are doctors (PhD). The findings implied that Rwanda FDA has employees who are well educated and these employees can handle procurement duties. However, these employees need more trainings to improve the expertism in procurement so as to reduce the challenges in compliance with procurement regulations and to enhance professionalism.

Table5. Working experience of respondents

	Year	Freq	Valid (%)	Cumulative (%)
Valid	0-2	23	17.8	17.8
	2-5	59	45.7	63.6
	5-10	26	20.2	83.7
	> 10	21	16.3	100.0
	Total	129	100.0	

Source: Primary data,2022

The findings in table5, revealed that,59(45.7%) respondents have working experience between 2-5years; 26(20.2%) have experience between 5-10 years; 23(17.8%) have experience below 2years; and 21(16.3%) respondents have working experience above 10years.

The findings implied that majority of employees already have mid-career (2-5years and seniors (5-10 years) for working experiences in public institutions. Therefore, this group of employees already have managerial skills to handle the public procurement issues especially in Rwanda FDA.

Even the employees of Rwanda FDA have required working experience to handle procurement issues and to perform other duties for organization performance, there is still a gap need to be filled through continuous improvement in procurement management. These findings supported by Ikara (2019) who revealed that high qualified and experienced employees always need refresher trainings or courses to handle challenges arise from changes made in order to improve the organizational performance. The refreshment of employees with short courses or trainings in the area for improvement will enhance the professionalism practices for employees as well as overall organizational performance.

4.2.Findings of specific objectives

This section provides the findings from data collected in response to specific questions. The data presented in this section were collected based on procurement planning process; and contract management in relation to performance of Rwanda Food Drugs Authority.

Table 6. The effect of procurement planning on performance of Rwanda FDA

	N	Mean	Std. Dev
Identification of goods or services needed by Rwanda FDA	129	1.4574	.90146
Detailed procurement procedures for Rwanda FDA	129	1.6434	.65905
Assist to find out sources of funds to procure goods and services for Rwanda FDA	129	1.8140	.71554
Specification of timeframe to deliver goods and services to Rwanda FDA	129	1.6512	.74636
Specification of delivering options to Rwanda FDA	129	1.7984	.71129
Integration of procurement activities of Rwanda FDA	129	1.6124	.61632

Source: Primary data,2022

The finding presented in table6, revealed that procurement planning contributes greatly in identification of goods or services needed by Rwanda Food and Drugs Authority (Mean=1.4574; Stdv =0.90146); detailing the procurement procedures for Rwanda FDA (Mean=1.6434; 0.65905); assisting to find out sources of funds to procure goods and services for Rwanda FDA (Mean=1.8140; Stdv= 0.71554); specification of timeframe to delivered goods and services to Rwanda FDA (Mean=1.6512; Stdv=0.74636); specification of delivering options to Rwanda FDA (M=1.7984; Stdv=0.71129); and

integration of procurement activities of Rwanda Food and Drugs Authority (Mean=1.6124; Stdv=0.61632). The findings implied that; those activities performed during procurement planning play a vital role in implementation of procurement exercise to enhance Rwanda FDA performance.

These finding supported by Basheka, Oluka, and Mugurusi (2015) said, that procurement planning contributes to success of institution operation, improves service delivery, and helps in achieving maximum value for expenditures on services to be delivered

Table 7. The effect of contract management on performance of Rwanda FDA.

	N	Mean	Std. Dev
Binding agreement helps to manage risks of poor-quality goods/ services in procurement process	129	1.7519	.63776
Binding agreement helps to manage financial risks in procurement process	129	1.6047	.63021
Binding agreement helps to manage changes and variations in procurement process	129	1.8372	.68226
Binding agreement helps to monitor milestones for supplier's payment	129	1.5969	.59318

Source: Primary data,2022

The finding presented in table 7; revealed that, existing binding agreement(contract) between suppliers and Rwanda FDA contributes to manage risks of poor-quality goods/ services in procurement process (Mean=1.7519; Stdv =0.63776); management of financial risks for procurement process (Mean=1.6047; 0.63021); management of changes and variations in procurement process (Mean=1.8372; Stdv= 0.68226); monitoring the milestones agreed up on for approval of supplier's payment (Mean=1.5969;Stdv=0.59318). The contract management is very important in procurement because; it helps the organization to identify the risks that may arise in procurement.

Therefore, the binding agreement between suppliers and Rwanda FDA stand for management of all risks that may arise during procurement process and hence the performance of Rwanda FDA. The findings are supporting by Akumuntu (2019) who concluded that, procurement best practices help an institution to archive its contractual procurement objectives such as supplies of right quality, delivered at right time. Kipkemoi(2017), showed the correlation between performance contracting strategy and public sector reforms and how they impact on institutions performance. The performance contracting is a vehicle to achieve reform in the new public management and its use as a strategy in the government institutions.

Table 8. Performance indicators of Rwanda Food and Drugs Authority

	N	Mean	Std. Dev
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Rwanda FDA meets customer's satisfaction as results of good procurement	129	1.6279	.60039
Cost minimization in procurement activities as results of integration of all department	129	1.7209	.62471
Rwanda FDA procure good quality of goods or services	129	2.2636	1.14236
Rwanda FDA procures goods and services as planned	129	1.8605	.75771

Source: Primary data,2022

The findings presented in table 4.14, revealed that Rwanda FDA meets customer's satisfaction as results of good procurement (Mean =1.6279; Stdv=0.60039); cost minimization in the organization as results of integration of all department in procurement activities (Mean =1.7209; Stdv=0.62471); Rwanda FDA procure good quality of goods or services (Mean =2.2636; Stdv=1.14236); and Rwanda FDA procures goods and services following the procurement plan (Mean=1.8605; Stdv=0.75771). These findings indicated that Rwanda FDA is government institution which is performing well all activities assigned for this Government agency. A primary indicator of this performance based on management of public funds and therefore the organization is able to secure the best

possible value for money in the way goods and services are procured; in order to ensure that; the money from government money is not wasted and customers of Rwanda FDA are satisfied with services. The findings supported by Kipkemoi(2017), showed that; performance of government institutions came from good procurement contracting as a vehicle to achieve in the new public funds management and its use as a strategy in the government institutions, leading to efficiency gains, improved service delivery and competitiveness. Similar study conducted by Yang and Hsu (2010), who concluded that; procurement performance is positively affected by supplier performance and immediately the performance of procuring organization.

Table 9. Correlation matrix

		Procurement planning	Contract management	Performance of Rwanda FDA
Procurement planning	Pearson Correlation	1	.772**	.843**
	Sig. (2-tailed)		.000	.000

	N	129	129	129
Contract management	Pearson Correlation	.772**	1	.890**
	Sig. (2-tailed)	.000		.000
	N	129	129	129
Performance of RFDA	Pearson Correlation	.843**	.890**	1
	Sig. (2-tailed)	.000	.000	
	N	129	129	129

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data,2022

The findings presented in table 4.15, showed that procurement planning(r=0.843), and contract management(r=0.890) are strong positively corrected to performance of Rwanda FDA as all correlation coefficients(r) are above 0.7. This implies that the performance of Rwanda FDA was resulted from good procurement planning, and contract management.

Table 10. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.953 ^a	.908	.905	.25718

a. Predictors: (Constant), Procurement planning, Contract management

The R²=0.908 or 90.8%) indicates the performance of Rwanda FDA at the level of (90.8%) as result of good procurement planning, and contract management in procurement process. The remained (9.2%) was for other variables/factors that were not considered in the model.

Table 11. Determination of regression coefficients

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.487	.099		4.908	.000
	Procurement planning	.289	.060	.298	3.739	.000
	Contract management	.252	.068	.242	3.716	.000

a. Dependent Variable: Performance of Rwanda FDA

Source: Primary data,2022

Y= β₀+β₁X₁+ β₂X₂+ε, as specified in chapter three; replacing the regression coefficients (β₀, β₁, β₂) by their values as indicated in table11;

Performance of Rwanda FDA =0.487+0.289(Procurement planning) +0.252(Contract management).

This implies that; procurement planning contributes (28.9%); and contract

management contributes (25.2%) respectively to overall performance of Rwanda Food and Drugs Authority. The findings also supported by Bairo (2020), indicated that; the performance of public procurement activities, is influenced by contract management ($\beta=0.975$, t-statistics = 3.584 and p-value = 0.001). The compliance with contract condition and contract documentation in procurement process were significant associated with overall performance of public institutions.

5. CONCLUSION

The findings indicated that; Rwanda Food and Drugs Authority is government institution which is performing well all activities assigned for this Government agency. The indicators of this performance based on management of public funds; and therefore, the organization is able to secure the best possible value for money in the way goods and services are procured; cost minimization, good quality of goods or services, to ensure that; the money from government money is not wasted and customers of Rwanda FDA are satisfied with services. The findings from the study indicated that; all activities performed during procurement planning and contract management contribute greatly in

implementation of procurement activities and therefore have significant effect on performance of Rwanda FDA.

6. RECOMMENDATIONS

-Rwanda FDA is recommended to develop and implement the procurement auditing programs that help to review the weaknesses and strengths of the organization in order to improve procurement activities for positioning the organization on track and stable performance.

- Rwanda FDA is recommended to invest extensively in trainings of employees and short courses regarding to procurement management as the majority of staff do not have skills in procurement and many times participate in procurement activities.

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