

ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

EFFECTS OF PROCUREMENT PRACTICE ON PROJECT PERFORMANCE: THE CASE OF INFORMATION NETWORK SECURITY AGENCY (INSA)

BY

EDLAWIT SOLOMON

ADVISOR: Dr. TEMESGEN BELAYNEH (PhD)

JULY, 2022

ADDIS ABABA, ETHIOPIA

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APPROVED BY THE BOARD OF EXAMINERS

Name	Signature	Date
DEAN, GRADUATE STUDIES		
ADVISOR		
EXAMINER (INTERNAL)		
EXAMINER (EXTERNAL)		

JULY, 2022

ADDIS ABABA, ETHIOPIA

DECLARATION

I, declare that this research proposal is my original work, prepared under the guidance of Temesegen Belayneh (PhD). All sources of material used for the research proposal have been duly acknowledged. I further confirm that the proposal has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Candidate:		
Name: Edlawit Solomon		
Signature:		

ENDORSEMENT

This thesis has been subm	itted to St. Mary's University, School of Graduate studies	for
examination with my app	oval as a university advisor.	
Advisor	Signature	

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Acronyms

INSA –Information Network Security Agency

PPA -Property Administration Agency

GDP- Gross Demotic Product

UNDP-United Nation Development Planning

MOFED-Ministry of Finance and Economic Department

USAID-United States Agency International Development

Abstract

This research studies the effect of procurement practice on project performance the case of Information Network security Agency. As with any industry, things don't always go according to plan in procurement and businesses can face several challenges along the way. Thus Procurement is one of the basic functions common to all organizations, both private and public. The researcher came up with a major research gap which the effectiveness of procurement practices on the project's performance. The researcher has further assessed the effectiveness of procurement practice in terms of procurement procedures and methods, suppliers sourcing practice and international procurement practice. The methodology was designed as quantitative approach since the data which was gathered through questionnaire is quantitative (numerical). Moreover, this study adopts explanatory research design. The researcher employs the consistency of the questionnaire evaluated over time by Cronbach's alpha (Using SPSS version 26) and the researcher used Regression Analysis to analyze data presentations. Its general objective included to find out the effect of procurement practice in terms of procurement procedures and methods, suppliers sourcing practice and international procurement practice on project performance of INSA. Procurement functions such as procurement procedures and methods, suppliers sourcing practice and international procurement practice play a very important role in the implementation of projects. The study recommends that INSA should include the three procurement functions i.e. procurement procedures and methods, suppliers sourcing practice and international procurement practice in their performance of project.

Key words, procurement practice, INSA, project performance, procurement procedures and methods, suppliers sourcing practice and international procurement practice

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

Procurement plays a key role for performance improvement & the attainment of organizational objectives by providing right quality of inputs for users at the right time and cost. In the procurement industry, developing a solid working relationship with vendors are the important key to ensuring that the business runs smoothly. Procurement is one of the basic functions common to all organizations, both private and public. Public procurement systems are central to the effectiveness of development expenditure. Budgets get translated into services largely through the governments' purchases of goods, services and works. It is estimated that 18.42% of the world's GDP is spent through public procurement (Mahmoud, 2010). According to the Ethiopian Procurement and Property Administration Agency (PPA) report, out of the total public spending, more than 60 per cent goes to Procuring public goods and services.

As with any industry, things don't always go according to plan in procurement and businesses can face several challenges along the way. According to Baily, Farmer, Croker, Jessop, and Jones (2015) project execution is worth nothing without an unimpeachable set of procurement processes. Couple this to all of the tasks that industry leaders have to accomplish, such as processing payments and managing vendors, and it's not an easy role. According to world Bank (2013), Procurement process in Africa are Spoiled with massive irregularities and contractual awards have been rated as the major attraction points of projects kick off, delays or death. A Publication by the UNDP (2015) has shown that most conflict in government implemented projects in the Sub-Saharan, Africa lie in the procurement process where a lot of corruption, nepotism and violation of procurement rules and procedures are very common.

In Ethiopia.10 sugar projects and the Great Ethiopian Renaissance Dam are mega projects as a result of delays and cost overruns. It was envisioned to be one of the major tools for the industrialisation and transformation of Ethiopia into a middle-income country. The state-owned military industrial conglomerate. This is the latest mega project terminated by government action. The decision to cancel the contract came from the Office of the Prime Minister following

repeated calls to terminate the contract by the Ministry of Public Enterprise, owner of the project. The Yayu Complex is the second largest project in the nation next to the four-billion-dollar Great Ethiopian Renaissance Dam. The former Minister of Public Enterprise Girma Amente (PhD) has been asking parliament to put an end to further costs and delays of the project.

Tebele and Jowah (2014) explain that for effective management of projects, the project manager should have an understanding of the structure and culture of the organisation in which the project is embedded. Project procurement involves obtaining all of the services and materials that are needed for a project. Managing this process is essential to ensure that all of the necessary services and materials are selected and obtained by a specific deadline.

Emmett and Crocker (2013) agree, signifying procurement as an essential stage of project execution to ensure that project deliverables and objectives will result in the meeting of stakeholder expectations; this cannot be achieved without calculated procurement processes. Without having a manager in place for this process, you can purchase the wrong materials, accidentally have the materials delivered on the wrong date, or choose the wrong service providers.

1.2 Background of the Organization

Information Network Security Agency (INSA) is one of the largest security and cyber technology organization in Ethiopia. The organization was emerged for the first time in 1999 E.C by the council of ministers regulation number 130/1999 and re-established with a broad mandate by House of People Representative in January 2014, proclamation No. 808/2013.

Information Network security agency (INSA) is a governmental organization with a vision to realize a globally competent National Cyber capability which plays a key role in protecting the national interests of Ethiopia. INSA's core mission is building National Cyber Power capable of protecting the national interest.

The objective of the agency shall be to ensure that information and computer based key infrastructures are secured, so as to be enablers of national peace, democratization and development programs.

The Agency has the powers and duties to:

❖ Develop and implement research and study based information and computer based

- critical infrastructure's security products and services;
- Draft national policies, laws, standards and strategies that enable to ensure information and computer based key infrastructures security, and oversight their enforcement upon approval;
- Support public and private institutions to formulate their own policies and standards in compliance with the national information security policy and standard frameworks, and monitor their implementation;
- ❖ Take all necessary counter measures to defend any cyber or electromagnetic attacks on information and computer based infrastructures or systems or on citizens' psychology;
- ❖ Conduct information or computer based critical infrastructures security audit at any time and provide, for those that meet the criteria, security standards approval certificate or delegate other bodies to perform such functions;
- Organize and administer a national computer emergency responding center;

Besides its mission and vision, the organization actively engages in Grand National technology projects. Those projects include software development, hardware programming and network security projects. Following introduction of INSA, the procurement process has governed by its own directives. This Directive is issued by the Ministry of Finance and Economic Development Pursuant to Article 78/2 of the Ethiopian Federal Government Procurement and Property Administration Proclamation no 649/2009 and Article 19 of the definition of powers and duties of the Executive Organs of the Federal Government of Ethiopia Proclamation No 471/2005/6 (as amended).

1.3 Statement of the Problem

Procurement is one of the basic functions common to all organizations, both private and public. Procurement and supply management involves buying the goods and services that enable an organisation to operate in a profitable and ethical manner. Dealing with suppliers without any method of assessment can create irregularities in product specifications and bad experiences. Good communication is extremely necessary for many aspects of the business. Procurement management is a way to more efficiently and productively handle the process of sourcing, requisitioning, ordering, expediting, inspecting and reconciliation of procurement. There is a failure to manage procurement processes effectively can have a significant negative impact on organizations. Unable to determine internal needs will be a challenge in formulating a strategy

for the future. An organization cannot transform this into direction and requirements with no target sets for what needs to be procured.

According to Baily, Farmer, Croker, Jessop, and Jones (2015) project execution is worth nothing without an unimpeachable set of procurement processes. To implement procurements are first identified during the planning phase of the project.

The researcher main reason to conduct this research is to identify procurement practice or procedure that provides the framework for project performance. Time and serious attention are devoted towards the establishment of a procurement system that to be suitable for a particular project. A procurement method that is used for a particular project is expected to achieve the objectives of the project in terms of cost, time and quality but this has not been the case at INSA. Time and cost overrun have been a major problem confronting at INSA projects and all attempts that have been made so far have not been able to yield the expected results.

These problem of procurement practices adopted at INSA have raises serious concern from the project stakeholders and the government organizations as a whole. The aim of the study is to explore the effect of procurement practices on project performance at INSA.

For the past ten years, INSA has encountered challenges, such as procurement procedures issues, supplier-related issues, foreign procurement practices and procurement method issues on project performance success drastically decline. Therefore, the researcher try to fill this gap by identify the effect of procurement practice on project performance at Information network security agency (INSA). Despite the important role playing by procurement in Ethiopia supporting in developing the economy, it is not given much attention by the government, and other stakeholders who participate in the procurement process such as suppliers, Commercial banks, customs authority, and customs clearing agents, insurance companies, and transportation companies. This study has a benefit the organization to learn from the strengths and weaknesses of procurement process on project performance and to take corrective action.

1.4 Objective of the Study

1.4.1 General objective

The general objective of the research is to assess the effects of Procurement Practice on Project performance at Information network security agency (INSA).

1.4.2 Specific Objectives

- 1. To determine the effect of procurement Procedures and methods on project performance at INSA.
- 2. To establish the effect of supplier sourcing procedures on project performance at INSA.
- 3. To examine the effect of international procurement process on project performance at INSA.

1.5 Research Questions

On the basis of the above concepts and explanations the basic research questions that are going to be addressed in the study are the following:

- 1. How procurement Procedures and methods affect project performance?
- 2. To what extent affect supplier sourcing on project performance?
- 3. To what extent does international procurement process affect project performance?

1.6 Significance of the Study

The objective of the study was to investigate the effects of procurement processes on project performance in a case study of INSA. It identified the common procurement problems faced to on projects performance at INSA. Moreover, it explored common reasons for poor procurement practices in finding solutions to overcome these besetting and pervasive challenges; and lastly, this study examined the positive qualities of this concept and recommended ways to escalate their value and usefulness in practice. Therefore, this research valuable to those seeking improvements to procurement process.

1.7 Scope of the Study

The scope of this study was limited to Information Network Security Agency procurement department. The study delimited to the effect of procurement process practice on project performance on INSA. Information Network Security Agency (INSA), look in to the perception of management and non-management groups of employees from core departments, property management department, and Procurement Department. The researcher only focused on the company's head quarter which is located in Addis Ababa because all the above three departments are located on the head office.

1.8 Limitation of the study.

Lack of previous researches in the area of procurement process effect on project performance was one of major pitfall challenges the researcher faced and the main reason inspired the research to carry out the study. There are also challenges to find textbooks, magazines and supporting reports on the topic. In addition, because of time and finance constraints the study carried out only on INSA and may not represent all procurement practices and challenges around the country.

1.9 Organization of the Paper

This research paper organized in to five Chapters, chapter one is an introductory chapter which describes the introduction, background of the study, background of the organization, statement of the problem, research questions, objectives of the study, significance of the study, scope of the study, limitation of the study and organization of the paper are presented. Chapter two consists of reviews of related literature. Chapter three present the research design and methodology, in this chapter the research approach, population, sampling method, data collection, and data analysis methods described. The forth chapter deals about data presentation analyses, and interpretation of the research focus on the major finding of the research. Finally the fifth chapter consist of the summary of finding, conclusion and recommendations drawn based on the overall findings.

CHAPTER TWO

2. REVIEWS OF RELATED LITERATURE

2.1 Introduction

This chapter contains the conceptual definition basing on the definition of important terms, theoretical literature review which explains the relationship between variables, the empirical literature review includes review and analyzes of other similar studies that had contributions in the study, the research gap and lastly the conceptual framework which is a diagram showing the variables of the study and their relationships.

2.2. Conceptual Definitions

This part explains the definition of the words that were used most frequently in the study words that are procurement practices, procurement procedures and project performance.

2.2.1. The Concept of Procurement Practices

Procurement is the business management function that ensures identification, sourcing, access and management of the external resources that an organization needs or may need to fulfill its strategic objectives. It exists to explore supply market opportunities and to implement resourcing strategies that deliver the best possible supply outcome to the organization, its stakeholders and customers. It applies the science and art of external resource and supply management through a body of knowledge interpreted by competent practitioners and professionals. One of the difficulties in defining the term 'procurement' is that it does not deal with a single action or process. Procurement covers the complete range of events from the identification of a need for a good or service through to its disposal (CIPS Australasia, 2013).

A number of definitions have been proposed to define procurement practice in the 21st. According to the World Bank (2015) for example, procurement is defined as the process of identifying and acquiring good and services and ensuring efficient running on organization.

Procurement define to obtain right material in the right place and the right time, right quality and right quantity. To facilitate their activities and fulfil the targeted mission and objectives, every Public bodies practice procurement. Federal Negarit gazeta which is published 649/2009 defines procurement and Public Procurement as obtaining goods, works, consultancy or other services through purchasing, hiring or obtaining by any other contractual means by utilizing public money.

Procurement management as being one of the most critical areas in project management as it incorporates wide administrative elements of planning, organizing, leading, communicating, staffing and controlling. He also mentions the importance of building and maintaining healthy relationships between purchasing departments and external suppliers in order to work productively in ordering, receiving, reviewing and approving of all procurement items essential for project execution. The project management 'book of knowledge' not only agrees with the author above but also looks deep into the phases of procurement processes that identify the risks and challenges involved in procurement management. Depaoli et al. (2013)

Literature revealed that the core causes of poor procurement processes on project performance could be characterised into different categories: internal factors; low quality of goods delivered by suppliers; lead time variability; system breakdown of online data capturing software to track supplies and poor time management. Therefore, the causes of poor procurement processes on project execution were surveyed based on the above-mentioned categories. Procurement, like any other business practice, is governed by rules, regulations and policies. In this case, procurement issues, which are not covered by the policies in place, are generally a matter of subjective judgment by those whose view is critical in choosing whether something will profit the supplier and destroy the purchaser or will result in a win-win situation (Hoai & Thanwadee, 2015; Semple, 2015). Selecting an appropriately qualified supplier improves stakeholders' confidence since this is more likely to lead to project goals being achieved (Turskis, 2008). Project performance has been the subject of discussions in the project management literature. According to (Carvalho, 2015), the traditional view of project success is associated with the achievement of time, cost and quality objectives.

2.2.2. The Concept of Project Performance

Project performance management is an ongoing review of the efficiency and importance of a given project. This important concept is used throughout the business and professional world as a means of understanding and improving company, department, and personnel performance. According to Turner, Keegan, and Crawford (2000), a project-oriented organization can be described either as an organization whose business is conducted primarily through projects or as an organization which, although it is oriented mainly towards recurring activities (operational), projects are an important part of their work. The mission of a project-oriented organization is "to generate results in response to specific customer requirements by structuring projects around some temporary assemblies of inside specialized personnel and to do business in a given time period" (Kodama, 2007, p. 3). A particularity of project-oriented organizations is that many projects are initiated, conducted, or completed simultaneously, creating a dynamic and balanced flow that ensures the development and survival of the organization (Gareis, 2010). According to Thiry (2008), project-oriented organizations must be structured in such a way as to create synergy between strategy and project, program, and portfolio management and projects' approach must generate value for stakeholders but at the same time, must be sustainable.

2.3. Procurement Procedures

The procurement process can be wrapped into eight steps. These are need identification, sourcing, inviting and receiving tenders, evaluation and awarding, placing orders, Progressing/Expediting, delivery and inspection and payment.

1. Need Identification

The need for a purchase typically originates in one of a firm operating departments or in its inventory control section. It is a stimulus for purchaser to initiate purchasing. The essential information which requisition should contain includes a description of the material; quantity, date required; estimated unit cost; the date; an authorized signature.

1. Sourcing

Sourcing is the process of identifying sources of supply that can meet the organization's immediate and future requirements for goods and services. The sourcing process adopted will

depend on the situation and on the time available to carry out sourcing. For instance, in a sudden on-set emergency the need to respond quickly to the emergency will mean there will be limited time to gather sourcing information and approve suppliers; therefore, an organization may make use of existing suppliers.

3. Inviting and receiving tenders

This process includes advertising in local and international channels, setting deadline for response, receiving sealed bids, opening and registering receipt of the tenders, and use of locked box or lock fax machine for receipt of bids.

4. Evaluation and Awarding

The evaluation of tenders and awarding of contracts to suppliers is an important phase of the procurement process. It is the process that determines the actual quality, reliability, delivery, etc. of the goods and services.

5. Placing Orders and Contracting

After evaluating and awarding of tender, the next step in the process involves placing orders for the goods or services with the supplier, or establishing contracts which need to be sent to suppliers. In emergency situations the approval levels and limits are adjusted, based on an approved process, to speed up the process of acquiring goods and services. Under normal circumstances, the approval processes may be more elaborate. The orders establish contractual relationships between the organization and the supplier (Shaw, 2010). Important features of a contract or agreement include cost, specification/description, quantity, lead time/delivery time, date of issue, and terms and conditions (including penalties for breach of contract). Place of delivery should also be indicated on the contract

6. Progressing/Expediting

Once the order is placed and the supplier has confirmed receipt and agreed to the contract terms and conditions, the role and the amount of work that staff in procurement have to undertake will be affected by the performance of the suppliers. It is necessary therefore, for the procurement staff to monitor the progress of orders and the performance of the suppliers. Supplier performance will determine the amount of time and money that has to be spent in expediting orders and the managing of suppliers. To ensure an uninterrupted flow of goods and services,

expediting should be a continuous process, especially in emergencies. The continuous monitoring enables the organization to pick out break-down points in the system and quickly identify solutions (Shaw, 2010).

7. Delivery and Inspection

Procurement only facilitates delivery through expediting for timely delivery and trouble-shooting returns. The physical receipt and inspection of goods takes place at the delivery point. Procurement only needs to know that delivery has taken place and that the supplier has delivered in accordance with the purchase order and complied with delivery contract requirements. In addition, whoever is responsible for accepting delivery and inspecting the goods should understand the procedure to follow in the event that there are any problems or discrepancies. For certain goods or commodities an independent inspection company may be used to check the quality of the goods

8. Payment

When goods or services are received and accepted into stock, procurement then facilitates payment of the supplier by providing necessary documentation to Finance Department. Orders are normally generated in procurement, as the goods are delivered in the warehouses and transported to final distribution points; additional documents are generated in the process to support transactions. All these documents are finally consolidated to support vendor payments

2.4 Types of Procurement

Procurement can be categorized in several ways. It can be classified as direct or indirect procurement, depending on how the company will use the items being procured. It can also be categorized as goods or services procurement depending on the items that are being procured.

- **Direct procurement** refers to obtaining anything that's required to produce an end-product. For a manufacturing company, this includes raw materials and components. For a retailer, it includes any items purchased from a wholesaler for resale to customers.
- **Indirect procurement** typically involves purchases of items that are essential for day-to-day operations but don't directly contribute to the company's bottom line. This can include anything from office supplies and furniture to advertising campaigns, consulting services and equipment maintenance.

- Goods procurement largely refers to the procurement of physical items, but it can also include
 items like software subscriptions. Effective goods procurement generally relies on good supply
 chain management practices. It may include both direct and indirect procurement.
- Services procurement focuses on procuring people-based services. Depending on the company, this may include hiring individual contractors, contingent labour, law firms or on-site security services. It may include both direct and indirect procurement.

2.5. Methods of Public Procurement

A procurement method is the technique that public body uses to acquire goods, works and services. The procurement methods are applicable to the procurement of goods, works and services (consultancy and non-consultancy). The method selected depends on a number of factors including the type of goods or service being procured, the value of the good or service being procured. (PPM –MOFED, 2011) According to Ethiopian public procurement proclamation 649-2009 article 39, the following six methods shall be used in public procurement:

Open Bidding: this method is used where the items are unclassified, simple and straightforward to define. These items range from clothing, foodstuffs, stationery, work services, repairs, etc. In this case advertisements are placed in the daily papers, noticeboards, televisions and the firms are invited to tender.

Request for proposal: public bodies may engage in procurement by means of request for proposals when it seeks to obtain consultancy services or contracts for which the component of consultancy services represents more than 50% of the amount of the contract. The selection of candidates for consultancy services above a threshold to be determined by a directive shall be made after

Two stage Tendering: two stage tendering is a method of tendering which involves firstly through a competitive exercise based on outline pricing and quality the identification of a preferred contracting organization; the second stage includes negotiation and working with the preferred contractor in order to arrive at a final price for the scheme.

Restricted Tendering: this method is used where the goods or services are of a specialized nature or can only be supplied by a limited number of firms. Here the security implications of the procurement are taken into consideration. The firms are identified through a confidential due diligence research by a competent agency such as the user or systems branch.

Request for Quotation: a request for quotation is a document issued when an organization wants to buy something and chooses to make the specifications available to many other companies so they can submit competitive bids.

Direct Procurement: this is used where there is no competition due to technical and security reasons or one firm can only supply the goods or services. Direct procurement can also be used in the event of a national emergency or disaster.

2.6. Principles of Procurement

Procumbent has its own principles like Accounting, Management, Economics, and Marketing some of these principles are:-

2.6.1 Non Discrimination and Equality of Treatment

The principle of non-discrimination is the cornerstone of public procurement. This principle prohibits any discrimination on grounds of nationality, meaning that all participants shall be treated in the same manner, unless the difference is objectively justified. Both direct and indirect discrimination is prohibited, and no national preferences are allowed. Contracting Authorities must remain non-biased and impartial towards all participants (USAID the American People, 2007).

2.6.2 Transparency

Transparency in the context of public procurement refers to the ability of all interested parties to know and understand the actual methods and processes by which contracts are awarded and managed. It represents a key pre-condition to promote wide participation in procurement. The level of transparency and openness of the procurement procedure varies in practice according to:

- a) The stage of the public procurement process: Although the tender process is strictly regulated, the phases prior to and after the tender are less subject to transparency and accountability requirements;
- b) The sensitivity of information: There is also a limited number of restrictions on the information provided outside the government in order to protect commercially-sensitive information on tenders (e.g. Content of open tenders such as commercial secrets, individual prices, etc.) Or security-sensitive information for the state (e.g. Defense, national security) that could harm the interests of the tenders;

c) The specificity and value of the procurement: There is a balance to be found between the need for transparency and other considerations, such as efficiency, depending on the type of contract at stake. Therefore, the information made available and the means for its dissemination vary proportionally to the size of the contract and the specificity of the object to be procured (USAID the American People, 2007).

2.6.3 Efficiency

The best public procurement is simple and swift, producing positive results without protracted delay. 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 (Yirga, 2011).

2.6.4 Confidentiality of Tenders

All tenders should be kept in a safe and secure environment to ensure that the confidentiality of tenders and requests to participate are preserved. Confidential information may include technical or trade secrets. The principle of confidentiality obligates the contracting Authority not to examine the content of requests to participate, and of tenders, before the deadline for their submission has expired (USAID the American People, 2007).

2.6.5 Consistency

The application of the procurement process should be the same across all procuring entities. Suppliers should therefore expect the same procurement policy across the public sector (University of Nairobi, 2009).

2.6.6. Value for money

The organization must manage funds efficiently and economically when procuring goods and services. This may include conducting cost-benefit analyses and risk assessments. It's worth noting that low cost does not necessarily equate to greater value; characteristics such as quality and durability also factor into determining whether the purchase represents value for money.

2.6.7. Accountability

People involved in the procurement process are accountable for their actions and decisions. They are required to report procurement activities accurately, including any errors.

2.7. Theoretical Review

This study shall be guided by two main theories that connect procurement, project implementation and the sustainability of community development projects. The theories are institutional theory and socio-economic theory. Institution are usually composed of cultural-cognitive and regulative elements that, together with associated activities and resource give meaning of life (Scott, 2004). There are three pillars of institution that include regulatory normative and cultural cognitive. The regulatory pillars emphasize the use of rules, sanctions and laws as enforcement mechanisms with expedience as basis for compliance. The normative pillar refers to norms (how things should be done) and values (preferred or desirables), social obligation being the basis of compliance. The cultural-cognitive pillar resets on shared understanding (common beliefs, symbols, shared understanding.

2.7.1. Institutional theory

Institutional theory is very important when it comes to the implementation of sustainable procurement policy and practice in organizations that serve the public. This is a matter of organizational culture and the degree to which the prevailing climate in an organization is supportive of sustainability and change in general. In other respects, this dimension includes the extent to which there is support for procurement at senior levels in an organization and the degree to which organizational processes and structures support, or retard, the development of procurement (Brammer & Walker, 2007).

2.7.2. Socio-economic theory

Socio-economic theory Sutinen and Kuperan (2012) propounded the socio-economic theory of compliance by integrating economic theory with theories from psychology and sociology to account for moral obligation and social influence as determinants of individuals' decisions on compliance. According to Lisa (2010) psychological perspectives provide a basis for the success or failure of organizational compliance. Wilmshurst and Frost (2000) also add that the legitimacy theory postulates that the organization is responsible to disclose its practices to the stakeholders, especially to the public and justify its existence within the boundaries of society. This theory, which focuses on the relationship and interaction between an organization and the society, provides a sufficient and superior lens for understanding government procurement system (Hui *et al.*, 2011). From this theory, we can understand the policy, planning and sustainable procurement practices in public institutions and their influence on service delivery to the society.

2.8. Empirical Literature Review

In this section, the researcher reviews literature related to the research problem based on the effect of procurement procedures, methods of procurement, sourcing of suppliers and foreign procurement process on project performance.

2.8.1. Effects of procurement procedures on project performance

The study examined effects of procurement procedures on performance of public projects. The study focused on the road constructed in Mbagala ward, Temeke municipality Msanga, Rachel Heriel (2020). Specifically the study aimed at identifying effects of procurement procedures on cost performance of public project, examined effects of procurement procedures on quality performance of public project and determining effects of procurement procedures on time performance of public project. Data were obtained from the procurement officers, road construction and Mbagala residence. Descriptive and regression analysis were performed in order to determine strength of the study variables. The study findings reveled that; procurement procedures ware highly effective on cost performance of public projects, while regression analysis confirmed that the procurement procedures had moderate correlation with cost performance in road construction project. Also it was revealed that procurement procedure highly contributed to quality performance of public projects. Further regression analysis revealed that the procurement procedures used had very strong correlation with quality performance and finally it was realized that procurement procedures very highly leads to time performance Finally the study concludes that performance of public project in Temeke municipality was highly facilitated due to the contribution of procurement procedures on cost performance, quality performance and time performance.

2.8.2. Evaluation of Procurement Process

This study focused on the evaluation of procurement process at Addis Ababa water and sewerage authority, Yonas Dubale (2014) presented to Addis Ababa University school of graduate studies. The paper discuss failure of the procurement unit has a direct impact on the failure of all other department. This study focused on the evaluation of procurement process at Addis Ababa Water and Sewerage Authority. The purpose of the study was to assess the performance of procurement department, the satisfaction of the user department, the challenges faced by the procurement department and the adverse effect of the perception towards the department. For the

accomplishment of this, the study was employed through descriptive designee in whom the selection of respondents is carried out by using purposive sampling technique. 44 employees are considered as a sample unit. Furthermore, exclusive interview has made with the procurement support team leader and the procurement officer, who has more than 13 years of experience. Both primary and secondary data are used. The major finding indicates that, the performance of the procurement department is found in unsatisfactory level. The department work flow is too long and bureaucratic nature which is not flexible for new idea. Even though straggling to avoid rent seeker is admirable, most of the time the adverse effect has forgotten. The department is not fully authorized to make decision in every procurement step and method. Besides, the qualification of the staff and training held is not well enough to fill the gap. The negotiation, specification and contract management is too deprived, though they are highly important. Moreover, there is no any classification of inventory and vendor to make the procurement process more prolific

2.8.3. The effect of procurement method on project performance

Phyllis Jeptepkeny, (2015). This study discuss where the nature of the procurement is such that the organization is able to define what the outcomes are, but not necessarily how they will be delivered, restricted bidding may be used as the bid invitation method. This is where performance is the driver and can be clearly articulated. Suppliers can offer different innovative solutions, so long as the performance meets the organization needs (Brown et al, 2001). In instances where the suppliers must offer a solution that exactly matches the organizations' specification, the organization may use restricted bidding method like Expression of Interest through which suppliers are shortlisted followed by a tendering process. The decision as to which is most appropriate will vary depending upon the nature, scope, value, level of risk and complexity of the project (Baily, P. et al, 2005). A lot of studies have been done with the view to developing models/tools for aiding the selection process, there is very little research that have looked at how procurement methods actually influence project performance. As a contribution in this regard, this paper reports on a conceptual framework that demonstrates the existence of this influence. The framework, developed based on extensive review of literature, forms part of an ongoing wider study aimed at developing a quantitative model for establishing exactly the nature and level of the influence that exists. The review was carried out to determine the main criteria for selecting procurement methods and for project performance measurements. Besides offering a deeper understanding of procurement method relationships with project performance, the proposed

conceptual framework forms the basis of the development of the quantitative model at subsequent stages of the on-going study. The model's main objective is to serve as a tool for identifying which procurement method is likely to result in poor performance or vice versa, for any given project. This study concluded that Procurement procedures have a strong and positive correlation with project performance

2.8.4. Suppliers sourcing effect on project performance

The selection of a supplier is one of the main activities of the procurement area. Without an adequate and precise method to select the most appropriate supplier, the performance of the whole project may be affected (Cheng & Li, 2004). This task is difficult and challenging, replete with many uncertainties. It is a complex process, which requires individuals to make judgments and decisions and trade-offs between competing goals and limited resources. The selection of one supplier over another depends largely on the company's preferences in terms of evaluation criteria and weights used, and the commitments the supplier is willing to make (Watt et al., 2009).

Several researchers have developed decision charts to investigate the criteria for the selection and success rate of suppliers in terms of time, cost and quality. Over the years, however, the selection process has become increasingly complex, mainly as a result of the continued proliferation of different procurement methods, the increasing technical complexity of projects (Agarchand & Laishram, 2017), and the need for greater value for money. Therefore, the classic criteria of time, cost and quality alone are considered very simplistic in the context of complex project environment and, so, decision frameworks need to be updated (Naoum & Egbu, 2015, 2016). The current vision of a project's success is considered multidimensional (Carvalho & Rabechini Junior, 2015; Shenhar & Dvir, 2007), and this comprehensive view should also be considered in a procurement management environment.

Aiming to minimizing the gap between what is hired and delivered, the supplier have to fully understand the company's needs in the procurement process through extensive information sharing and constant communication. Only when a binding mechanism motivates information sharing is it possible to achieve a balanced relationship between the company and the supplier. As the company-supplier mechanism works, risk-averse suppliers are more likely to collaborate to define project scopes (Cheng & Carrillo, 2012).

According to Gadde and Hakansson (2001) purchasing from different suppliers accounts for more than half the total cost of operations in most organizations. Vendor selection is thus an important factor for the success of any project from both the financial and risk mitigation perspectives.

According to Porter (1985), vendor evaluation and selection is a fundamental component of risk management and continuous improvement of supply processes.

Due to the changes in the market demands and supplier selection approach has evolved from multiple suppliers to single supplier approach. According to this investigation, quality, delivery, service and cost are the four most important criteria to evaluate suppliers. The selection of new suppliers is an on-going activity of high priority for all companies in order to optimize costs, and upgrade the variety and typology of their products range to match the market needs and where product life cycle is generally very short and new designs often require new materials or new technologies. It also allows a multi-supplier strategy assigning not more than 15% to 25% of the purchase orders or transactions to one supplier, which provides the company more negotiating power, and protects the company against sudden price increases, or negotiations in the delivery time. Only in exceptional cases, where in a monopoly market or when time and resources to find and negotiate alternative suppliers are not available (Mbiu and Omwenga 2015).

2.8.5. Challenges of international procurement

Mesfin Tesfaye, (2016). This study focused on the practices and challenges of international public procurement presented at Civil Service University. The findings of this study showed that challenges of international public procurement mainly depend on numbers human resource, getting foreign currency on time, delay in payment, budget problem and clearance related problems. Finally the researcher recommended that recruiting enough human resource for the department, create good relationships with ERCA, CBE and clearance agent to increase the speeds of the procurement process, and recommendations on budgetary issue. Since the study entirely delimited to study the issues of Ethiopian Electric Utility international public procurement practices and challenges it does not represent the scene in other governmental organizations.

It is the work done by public body in the process of importing items from other countries such as documents in international procurement, Incoterms, customs clearance, getting foreign currency on time are some of the issues discussed below.

2.8.5.1. Documents in International Procurement

There is an old expression: "Trade moves on paper". Some days this may change to, "Trade moves electronically", but this is only beginning to happen internationally. What we are seeing is

an electronic transfer of documents, through fax and the internet, but they still must be created and studied pretty much like the old days.

It is a fact of modern life that people and cargo generally do not cross national borders without extensive documentation. In the worst case, cargo is stranded, part way to its destination, unable to move for lack of the right documents. As the cargo sits, it incurs storage charges, deterioration and spoilage as its owner's frustration mounts. Such a scenario must be avoided if cost effective trade is to be conducted. It can be avoided if the trader has a good working knowledge of trade documentation.

Most international trade documents can be placed in the following categories: Commercial documents, Banking documents, Transportation, and Insurance documents.

2.9. Research Gaps

Procurement practices and project performance challenges of the Information Network Security Agency are the main focus of the study. In order to achieve the general and specific objectives the study literature has been reviewed during the review process the researcher has comes across different concepts, theories and empirical explanation studies related to the topic and support the study. Through the analysis on the related literatures we can understand the following.

- 1. The researches show the prevalent gap between theoretical discussions in procurement and the practical aspect. The basic principles of purchasing i.e. the five rights are not given much attention in practice, unreliability of suppliers and absence of permanent and strong relationship with suppliers, delayed procurements are common, ineffective procurement procedures and manuals and management does not give due attention for the function.
- 2. The researchers suggest viable recommendations to enhance efficient and effective procurement practice which include: the importance of substantial management attention for the effective and efficient procurement, the need for establishment of strong and long term relationship with reliable suppliers and the need for revision of purchasing procedures, and manuals and for clear communication of the same with the concerned staff.

2.10 Conceptual Framework

A conceptual framework is a diagrammatic presentation of the relationship between the independent and dependent variables; it forms the basis of the research. The conceptual framework illustrates influence of variables on the success of the procurement process and

projects performance.

The thesis conceptual framework diagram is represented in figure 1.1. The research area is procurement process and projects performance and aspects were discussed in the theoretical background. The research aims to study the correlations of procurement practice on the level of project performance in INSA. It also aims to describe and explain the benefits that accrue.

Procurement Procedure and Methods Supplier Selection International Procurement Dependent Variable Project Performance Cost Time Quality

Fig 1.1: Diagrammatical representation of the variable interrelationships Source: Designed by researcher from the literature

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

Research design is a broad plan of a research specifying the manner in which data are to be collected and analysed in order to test research design derived from theory, or to develop insights into the problem being investigated. The design stage is most crucial phase of the research process. This chapter presents the research methods. It deals specifically on the research design, research method. Sampling techniques, target population, data collection tools/instruments and data analysis procedures are briefly discussed under this chapter.

3.2 The Research Approach

The researcher used mixed approach in the study. According to Dixit (2011), using mixed methods research assist in making better interpretation because informants can be providing information that is both measurable and analyzed through rich description. Research should occur through multiple methods of gathering data for the purpose of drawing a robust conclusion.

Both qualitative and quantitative research methods have individual strengths and weaknesses. Importantly, employing properly designed research strategies (e.g.in data collection and analysis), while meeting the needs of each research project, and often determines whether the research is fruitful. Clearly, there is a need for both qualitative and quantitative research, as their relative strengths complement the weaknesses of the other (Dixit, 2011).

To take advantage of both research approaches researcher used mixed methods of approach in the study. Questionnaire used to collect Quantitative data and interviews and secondary data sources were used as a means of qualitative data collection from the respondents.

3.3 The Research Method

In the areas of social science most of the researches are descriptive research category. Descriptive type of research studies is those studies which are concerned with describing the characteristics of a particular person, or of a group, place, and things (Kothari, 2004). The study was mainly focused on the effect of procurement practices and project performance of

Information Network Security Agency (INSA) by using descriptive and inferential methods of research which were conveniently aligned with the objectives of the study.

3.4 Research Techniques

Due to the nature of the research and to achieve the specific and general objectives of the study, a mixed quantitative and qualitative method used to analyze the collected data. According to Creswell (2003) the use of both approaches. So that the overall strength of the study is greater than either qualitative or quantitative research. Thus, this design is selected to express the current phenomenon of a situation and gives prediction depending on the finding of the research and to describe the basic questions stated in the research. Survey strategy which used to collect large amount of data using a questionnaire from a sample population.

Questioners and observation research techniques are implemented .Questioners used to collect quantitative data from procurement directorate of INSA, cyber security wing of INSA, and Electronic defense, and operation wing of INSA. Observation was used by the research as a tool of data gathering on the major activities of the INSAs procurement department.

3.5 Sample Design

The sampling design of the study have consisted the population of the study, sampling frame, sampling units, and sampling techniques, Sample Size and samples of the study. The target population for this study would be 100 (one hundred) (100/100) respondents. The target population of this study includes procurement employees of INSA.

3.6 Sampling Technique

Based on the objectives of the study non-probability sampling techniques were applied in the study. Therefore, purpose and convenience sampling used to get a chance in select respondents, who are directly related to the study objectives, exclude that do not suit with the study and add any of the responders based on their availability so as to achieve the purpose of the study. The main reason of using these types of sampling techniques in this study is due to research questions and specific objectives of the study that focuses on specific areas related to procurement and project implementation of INSA.

Table 3.1 Sample size summary

Sample Units	Population	Sampling Technique	Sample Size	Data Collection Method
Procurement Officers	23	Non Random- Purposive	23	Questionnaire
Cyber security wing project officers	200	Non Random-Purposive	47	Questionnaire
Electronic defence and operation wing	226	Non Random- Convenient	30	Questionnaire
Total Population and Sample	426		100	

Source: Field Survey, 2021

3.7 Sources of Data

Data are facts and figures collected, analyzed, and summarized for presentation and interpretation. In order to achieve general and specific objectives of the study both primary and secondary data used. Primary data collected via questionnaire as the main tools. Secondary data also collect from different materials and sources.

3.8 Data Presentation and Analysis

For the realization and successful accomplishment of data collected from different sources arel recorded, edited, organized, analyzed, interpreted and presented in relation to the research questions using both qualitative and quantitative methods with the aid of statistical tools such as tables, figures, and percentages for data collected through questionnaires and also observation used to describe qualitative data in depth. Finally the analysis did using Statistical Package for Social Science (SPSS) and MS-Excel.

3.9 Validity and Reliability

According to Kothari (2004), Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. Validity can also be thought of as utility. In other words, validity is the extent to which differences found with a measuring instrument reflect true differences among those being tested.

Therefore, to assure validity of the instrument the researcher has given a chance for professionals on the area to review the questionnaire and the advisor finally validate it.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter presents analysis and findings of the study as set out in the research methodology. The results were presented on the effects of Procurement Practice on Project performance at Information network security agency (INSA). The study targeted 100 respondents that are returned their questionnaires.

4.1. Demographic Information

The background information has indeed been considered meaningful by the researcher; this is because of the role it plays enabling the understanding of the logic of the responses given by the respondents. Various demographic and socio economic factor considered Gender, Age, Educational Background, experience year of employment, working department position of the employment.

Table 4.1: Demographic Information

This part illustrates the gender, age, academic qualifications, work experience, Position held by respondents in the organization and the respondent working department in the company.

Demographic variables	Category	Frequency	Percentage
Gender	Male	56	56%
	Female	44	44%
Age	20-25	5	5%
	26-30	15	15%
	31-35	20	20%
	36-40	52	52%
	41-50	8	8%
	>51	0	0%
Educational	BA/BSC	72	72%
Background	MA/MSC	28	28%
	PHD	0	0%
	Other	0	0%
Year of employment	<3years	2	2%
	3-6 years	20	20%
	7-10 years	62	62%

	>10 years	16	16%
Working Department	Procurement Department	23	23%
	Cyber Security Wing	47	47%
	Electronics Defense and Operation Wing	30	30%
Working Position	Director	5	5%
	Team Leader	17	17%
	Supervisor	35	35%
	Officer	43	43%
	Other	0	0

The general characteristics of respondents in this study are represented in Table 1. The respondents in this study were diverse in terms of gender, age, academic qualifications, work experience, Position held by respondents in the organization and the respondent working department in the company. So returned questionnaires respondents showed that 56 % of the population sampled were male and 44% of employees who responded were female.

Out of 100 respondents the majority i.e. 52% are ranged between 36-40 years old, 20% are ranged between 31-35 years, 15% are ranged between 26-30 years, 8% are ranged between 41-50 years and the remaining 5% is between 20-25 years old. Knowing the respondents age helped the researcher expectation that the higher the age the higher experience and the higher knowledge about procurement practice of Information Network.

In relation to the educational background 72% had a BA/BSC degree and 20% had a master's degree. From this data the researcher understood that respondents easily understand the contents of the questioners.

The overall work experiences of respondents were also found helpful as people having long experiences may gain varying skill and knowledge in doing things differently. The length of continuous service by the respondents were as follows; 62% have been working 7-10 years, 20% have been working 3-6 years,16% have been working more than 10 years and the remaining 2% have been working less than 3 years. This means 82% of members of staff have been employed by the company for over 5 years and have fully understood the overall operations of the company.

With regards to working department the respondents were asked to specify their current working department and the findings reveals that 47% indicated they were working in cyber security wing, 30% and the remaining 23% indicated they were working in procurement department. All employees working in procurement department were covered in this study and therefore the information provided by the respondents was adequate for the research.

The positions of the respondents were important as people in different position may have varying level of access to information and experience in different issues. So, respondents were asked to specify their current positions in the organization and the finding reveals that 43% indicated they were officers positions, 35% indicated they were supervisors, 17% indicated they were team leader position and the remaining 5% indicated they were directors of different department.

4.2. Descriptive Statistics Results

The study's main objectives were investigated and results are presented in this section. The objectives were to investigate the effect of procurement procedures and methods, supplier sourcing process, and international procurement practice on project performance of INSA.

The questionnaire consisted of five point Likert scale for both dependent and independent variables with assigned values. of strongly disagree (1), disagree (2), average/neutral (3), agree (4) and strongly agree (5). The analysis was made using frequency, mean, standard deviation, percentages, Pearson's correlation and multiple regressions.

4.2.1. Procurement Procedures and Methods

This section seeks to determine the effect of procurement Procedures and methods on project performance of INSA. Results obtained from the respondents are as described in Table 4.2.

Table 4.2: Response related to Procurement procedure and methods

Questions related to Procurement procedures	N	Minimum	Maximum	Mean	Standard
and methods					Deviation
INSA prepared detailed procurement procedures of goods and service needed for a project.	100	1	4	1.70	0.835
INSA Public procurement methods are supportive for procurement process.	100	1	4	2.09	0.830
INSA identified and given special attention is for large quantity or those requiring special manufacturing or long lead time etc.	100	1	4	2.11	0.875
Procurement methods are helpful to having consistency in decision making.	100	1	5	2.03	1.010
INSA procurement planning clearly understands the goals/objectives of the projects.	100	1	5	1.69	1.032
INSA procurement procedures reduced operational costs.	100	1	5	2.02	1.044
INSA has quality management policies procedures & guidelines for procured goods and service.	100	1	3	1.96	0.243
Rate your Organization level of procurement management practice towards the improvement of project performance.	100	1	4	1.72	0.514
INSA procurement method considered risks in projects activities.	100	1	4	1.58	0.572
INSA able to deliver quality service to end users of the project.	100	1	4	1.57	0.700
Average rate of Procurement procedures and methods	100	1.30	3.40	1.8470	0.31252
Where 1= Strongly disagree, 2=Disagree, 3=	Neutra	l, 4= Agree	e and $5=$	Strongly	Agree

The above table 2 presents that respondent's feedback on the practice of procurement procedures and methods at INSA was indicated by the respondents on each question. It was revealed that many respondents believe that INSA Procurement procedure and methods practices low indicated by a mean of 1.847. Procedures such as preparing of detail of goods and service needed for the project (mean=1.70), having supportive procurement methods (mean=2.09), identified and given special attention is for large quantity or those requiring special manufacturing or long lead time etc.(mean=2.11), having at INSA helpful procurement method (mean=2.03) and INSA procurement planning clearly understands the goals/objectives of the projects (mean=1.69)

4.2.2. Supplier Sourcing

The effect of supplier sourcing process on project performance of INSA was also another objective sought by the study. Results obtained from the respondents are as described in Table 3.

Table 4.3: Response related to supplier sourcing

Questions related to Procurement	N	Minimum	Maximum	Mean	Standard
procedures and methods					Deviation
INSA procurement department has fully implemented public procurement policy.	100	1	4	1.58	0.638
INSA employees managed suppliers' fairly and justly.	100	1	4	2.12	0.773
The organization is linked up to its suppliers and end users.	100	1	3	1.49	0.674
INSA employees have fully adopted acceptable tendering regulation.	100	1	3	2.09	.668
Proposals are made and submitted to all potential suppliers.	100	1	4	1.96	0.852
Are late deliveries from suppliers contributing to poor procurement?	100	1	4	1.77	0.886
The procurement staff of INSA has the necessary skills and experience to undertake the work on proposed projects.	100	1	4	2.15	0.821
Are problems in procurement processes directly linked to project performance?	100	1	5	1.87	0.895
Successful vendor selection results in improved quality, reduced cost and delivery.	100	1	5	1.98	1.101
Supplier selection and negotiation lead to better supplier relationship management and better project performance for the organization.	100	1	5	1.99	1.030
Distribution and delivery is made at the right time and place due to negotiation with suppliers.	100	1	4	1.96	0.974
Supplier selection and negotiation lead to better supplier relationship management and thus better project performance for the organization.	100	1	4	2.13	0.872
Most projects are completed in timeline	100	1	4	2.06	0.802
Average rate of supplier sourcing	100	1.31	2.69	1.9344	0.28226
Where 1= Strongly disagree, 2=Disagree,	3= Ne	utral, 4= A	gree and	5= Strong	ly Agree

An average mean score of 1.93 implies that the respondents believe that supplier sourcing process of INSA is much lower than the specified cut off point of the scale. This value suggested that supplier sourcing is little practiced in INSA. The majority of the respondents believe that INSA employees managed suppliers' fairly and justly (mean=0.77), the organization is linked up to its suppliers and end users (0.674), Successful vendor selection results in improved quality, reduced cost and delivery (mean=1.10), supplier selection and negotiation lead to better supplier relationship management and better project performance for the organization (mean=1.03) and process of supplier selection and negotiation lead to better supplier relationship management and thus better project

4.2.3. International Procurement Practice

This study try to examine the practices of international procurement practice effect on project performance of INSA and summarized in table 4.

Table 4.4: Response related to international procurement practice

Questions related to International	N	Minimum	Maximum	Mean	Standard		
Procurement Practice					Deviation		
Ethiopian customs import procedures are simple and easy.	100	1	4	1.62	0.814		
Ethiopian customs import clearance procedures are transparent and have consistency.		1	4	2.00	0.778		
Ethiopian custom authority there is timely update and use of best practices taken from other countries.	100	1	4	2.06	0.851		
There are training related to customs clearance procedures for the employees of INSA.		1	5	1.94	0.919		
There is good progress of implementation of single window application.	100	1	5	2.02	1.092		
Ethiopian customs laws and rules are difficult to interpret and understand to make decisions.		1	5	2.03	1.049		
Ethiopian custom import procedures are direct effect on the project performance.		1	5	1.78	0.733		
Average rate of international procurement practice	100	1.14	3.86	1.9214	0.42123		
Where 1= Strongly disagree, 2=Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree							

The above table presents analysis on average most respondents believed that international procurement practice is much lower than the specified cut off point of the scale. Each mean score is below the cutoff point and the grand mean score of all items as a whole is 1.92. These values confirmed that the practice of international procurement at INSA was not good. Ethiopian customs import procedures are simple and easy (mean=0.81), Ethiopian customs import clearance procedures are transparent and have consistency (mean=0.77), Ethiopian custom authority there is timely update and use of best practices taken from other countries (mean=0.85), having training related to customs clearance procedures for the employees of INSA (mean=0.91), progress of implementation of single window application (mean=1.09), Ethiopian customs laws and rules are difficult to interpret and understand to make decisions (mean=1.04) and Ethiopian

custom import procedures are direct effect on the project performance (mean=0.73).

4.2.4. Project performance in relation to time, cost and quality

Respondents were asked various questions of project performance in relation to time cost and quality. The responses were as shown in the table below.

Table 4.5: Response related to project performance in related with time cost and quality

Questions related to project performance	N	Minimum	Maximum	Mean	Standard
					Deviation
INSA Project managers (Directors) have the	100	1	5	1.77	0.777
required level of project management skills.					
INSA strongly follow up and support the progress of the project performance.	100	1	5	2.39	1.127
INSA has flexible project management response to problems/and or changed circumstances.	100	1	4	2.17	0.922
INSA evaluate the overall performance of the after the end of the project.	100	1	5	2.66	1.387
INSA evaluated the progress report of the project and take a corrective action immediately.	100	1	4	2.17	0.900
INSA project time management is critical for any successful project implementation.	100	1	5	1.92	0.950
INSA project managers have lack of schedule management.	100	1	5	2.40	1.155
INSA allocated the right types of resource in the right time.	100	1	5	1.95	.968
INSA project provide a cost effective response.	100	1	5	2.05	1.114
INSA projects ends as per the schedule.	100	1	5	2.39	1.118
Average rate of project performance	100	1.10	4.10	2.1870	0.52042
Where 1= Strongly disagree, 2=Disagree	3 = N	eutral, $4=4$	Agree and	5= Strong	gly Agree

Majority of the respondents disagree with the idea that determines the relationship between project performance and the three components. The table also displayed the average score of project performance. The mean score is 2.18, which is below the cutoff point and it confirmed us the project performance of INSA was low. INSA project time management is critical for any successful project implementation (mean=1.92), INSA project provide a cost effective response (mean=2.05) and INSA evaluated the progress report of the project and take a corrective action immediately (mean=2.17).

4.3 Correlation Analysis of Data

The data collected from employees of INSA in order to determine the relationship between procurement practices and project performance was calculated using Pearson's product correlation coefficient. The independent variable was practices of procurement whereas the dependent variable was performance of projects of INSA. The scales of the items for procurement was strongly disagree (1), disagree (2), neutral (3), agree (4) and strongly agree (5). Similarly, project performance related items have scales having values very low (1), low (2), average (3), high (4) and very high (5). The analysis and interpretation of correlation was made by the suggestions Kothari, C. (2008).

According to Kothari C. (2008:138) with respect to the direction of correlation, positive correlation coefficient indicates direct relationship between variables, and negative correlation coefficient indicates the relation is reverse. Based on correlation value of Kothari (2008), the magnitude or strength or degree of the relationship is determined as very low relationship (below 0.19), low (0.20-0.39), moderate or medium (0.40-0.59), high (0.60-0.79) and very high or strong relationship (0.80-1.00). The correlation was based on the assumption of 95% confidence interval and it was calculated using SPSS version 26.0.

4.3.1 Relationship between Procurement procedures and methods practice and project Performance of INSA

The purpose of Pearson's correlation test was to determine whether there existed an association between Procurement procedures and methods practice in INSA and the projects performance of INSA. The result of correlation and its interpretations were described as follows:

Table 4.6: Correlation between Procurement procedures and methods practice and project Performance of INSA

Variables		Procurement procedures	Project performance
		and methods	of INSA
Procurement	Pearson Correlation	1	0.242*
procedures	Sig. (2-tailed)		0.015
and methods	N	100	100
	Pearson Correlation	0.242*	1
Project	Sig. (2-tailed)	0.015	
performance	N	100	100

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

From the above table the correlation between procurement practices employed in INSA with the performance of projects of INSA was r = 0.242, sig. (two-tailed) value, p = 0.015 (p<0.05). This value indicated that there was statistically significant correlation between procurement practices and the performance of projects of INSA. Since the correlation value was positive, the relationship occurred between the two variables was strong and direct relationship. That is, as procurement practices effectively employed, the performance of projects would be efficiently implemented.

The magnitude of relationship in percentage was also determined by $r^2x100 = 5.86\%$ and it is low relationship. That is, the relationship between the two variables was 5.86%. The single Astrix (*) confirmed that the relationship was significant at 95% confidence interval or 5% level of precision.

4.3.2 Relationship between Supplier sourcing and Project Performance of INSA

Pearson's product correlation was also conducted to examine the relationship that can be existed between Supplier sourcing and Project Performance of INSA. The result of correlation was presented below table 4.7.

Table 4.7: Correlation between Supplier sourcing and Project Performance of INSA

Variables		Supplier	Project performance of
		sourcing	INSA
Supplier sourcing	Pearson Correlation	1	0.363**
	Sig. (2-tailed)		.000
	N	100	100
Project	Pearson Correlation	0.363**	1
Performance of	Sig. (2-tailed)	.000	
INSA	N	100	100

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

As presented at table 4.7, the correlation between Supplier sourcing practice of employed in INSA and the projects performance of INSA was calculated using SPSS as r = 0.363, sig. (two-tailed) value, p = 0.000 (p< 0.01). This value of Pearson's correlation suggested that there was statistically significant correlation between Supplier sourcing and the projects performance of INSA. Positive correlation value specified that the relationship occurred between Supplier selection and project performance was direct relationship. That is, as Supplier sourcing practice employed in INSA, the project performance would be effective. The degree of relationship between the two variables in percentage was also determined by $r^2x100 = 13.18\%$ and it indicates medium or moderate level of correlation. Astrix (*) confirmed that the relationship was significant at 87% confidence interval or 13% level of precision.

4.3.3 Relationship International Public Procurement and Project Performance

Similar to the above analysis, the correlation between International procurement practices and project performance was evaluated and interpreted below.

Table 4.8: Correlation between International Procurement practice and project performance of INSA

Variables		International	Project
		Procurement	performance
		practice	of INSA
International Procurement practice	Pearson	1	0.540**
	Correlation	1	
	Sig. (2-tailed)		0.000
	N	100	100
Project Performance of INSA	Pearson	0.540**	1
	Correlation		1
	Sig. (2-tailed)	0.000	
	N	100	100

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

The result in table 4.8 indicated that the correlation between international procurement employed in INSA and project performance was r = 0.540, sig. (two-tailed) value, p = 0.000 (p<0.01). This value suggested that there was statistically no significant correlation between International Public Procurement and the performance of projects of INSA. The degree or magnitude of relationship in percentage was 29.16% and the relationship was moderate or medium level.

From the analysis of correlations, international procurement practice is significantly correlated with the implementation of projects followed by supplier selections in INSA.

4.4. Regression Analysis

To determine the contribution of the independent variables (procurement procedures and methods, supplier sourcing process, and international procurement practice) to the predicted variable (performance of projects) of INSA, linear regression analysis was calculated with the help of SPSS version 26.0 and interpreted as follow.

Table 4.9: Effect comparison of Procurement practice on project performances

Model	Df	Sum of Squares	Mean	R	\mathbb{R}^2	F	Sig.
			Square				
Regression	3	7.924	2.641	.544	.296	13.42	.000
Residuals	96	18.889	.197				
Total	99	26.813					

a. Predictors: (Constant), international procurement, procurement procedures and methods , supplier sourcing

As displayed in table 4, the independent variable indicates that F(3, 96) = 13.42, Sig. (2-tailed) value = 0.000 (p<0.01), which explains the combination of these independent variables (components of procurement) significantly predict the dependent variable (project performance). From the analysis, it was shown that the correlation coefficient (R) value 0.544 indicates that there is a moderate linear correlation among variables. That is, the combination of procurement procedures and methods, supplier selection and international procurement practices contributed about 29.6% (R^2*100) of project performances in INSA.

Table 4.10: The result of the Regression analysis on project performance (model summary of simple regression)

	Unstandardized coefficient		Standardized coefficient				
Variables	Regression coefficient	Std. Error	COCINICION	T	Sig.		
	(B)		Beta (B) value				
Constant	1.001	0.362		2.766	0.007		
Procurement procedures and	0.126	0.171	-076	0.740	0.461		
methods							
Supplier sourcing	.036	0.208	.020	0.174	0.862		
International Procurement	0.702	0.157	0.568	4.487	0.000		
practice							
a.Dependent Variable: performance of project							
b. Predictors: (Constant), internation	onal procureme	ent , procu	rement procedures	s, supplier	sourcing		

b. Dependent Variable: project performance

By comparing the Beta values, the highest and significant contributor to the performance of projects in INSA is International Procurement practice (Beta = 0.568, t= 4.49, sig. Value 0.000 (p<0.01)). Supplier sourcing is the second contributor for the performances of projects of INSA (Beta value = 0.020) and Procurement procedures and methods is the least contributor for project performances (Beta value is = 0.076). When we see the regression coefficient the dependent variables of performance of project is affected by international procurement (Beta Value is = 0.56). Therefore, among the variables considered in this study, the dominant contributor for the performance of projects in INSA is International Procurement.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter tries to discuss and recapitulate the major finding from the study and also provides recommendation. The conclusion and recommendation drawn were focused on addressing the research questions as presented in chapter one. Suggestions for future studies have also been made.

5.1. Summary of Findings

This study was set out to investigate the effect of procurement practice on project performance at INSA. Its specific objective included to find out the effect of procurement procedures and method, supplier sourcing processes and international procurement practice on project performance of INSA. The primary data collected through questionnaire is summarized and presented as follows.

Regarding employees demographic information majority of the respondents were males, had a degree, ranged age 36-40 year and had serve 7-10 year in the company.

In order to determine the effect of procurement procedure and method on project performance majority of the respondents supported the idea that procurement procedure and method is not properly implemented at INSA as indicated by a mean of 1.84.

A coefficient for procurement procedures and methods practices implied that supplier sourcing and international procurement practice constant; a unit increase in procurement procedures and methods practices will increase project performance by 0.242. This value indicated that there was statistically significant correlation between procurement practices and the performance of projects of INSA. Since the correlation value was positive, the relationship occurred between the two variables was strong and direct relationship. That is, as procurement practices effectively employed, the performance of projects would be efficiently implemented.

In relation to the second objective to establish the effect of supplier sourcing majority of the respondents disagree there is weak practice employed in INSA by mean 1.93. The result of correlation was also conducted to examine the relationship that can be existed between Supplier

sourcing and Project Performance of INSA. the correlation between Supplier sourcing employed in INSA and the performance of projects of INSA was calculated using r = 0.363. This value of Pearson's correlation suggested that there was statistically significant correlation between Supplier sourcing and the performance of projects of INSA. Positive correlation value specified that the relationship occurred between Supplier selection and the performance of projects was direct relationship. That is, as Supplier sourcing employed in INSA, the performance of projects would be effective. The degree of relationship between the two variables in percentage was also determined by $r^2x100 = 13.18\%$ and it indicates medium or moderate level of correlation.

Finally in relation to the third objective to examine effect of international procurement practice by comparing the Beta values, the highest and significant contributor to the performance of projects in INSA is International Procurement (Beta = 0.568, t = 4.49, sig. Value 0.000 (p<0.01)). Supplier sourcing is the second contributor for the performances of projects of INSA (Beta value = 0.020) and Procurement procedures and methods is the least contributor for project performances (Beta value is -0.076). Therefore, among the variables considered in this study, the dominant contributor for the performance of projects in INSA is International Procurement.

5.2. Conclusion

Based on the findings from the field and the literature reviewed, the researcher concludes that procurement procedure and methods, suppliers sourcing and international procurement practice have an effect on the project performance at INSA. International procurement practice followed supplier sourcing and finally the practice of procurement procedure and method.

As we see we can easily be concluded that indeed, project performance is dependent on effective procurement procedures and methods.

Finally, it is very important at the very outset of the project to carefully consider all factors when selecting the most appropriate international procurement practice for a better project performance. This is because each system has its own feature and peculiarity that will have effect on the cost, time and quality of the project i.e. the project performance. In summary all the three independent variables of procurement practice in the conceptual framework had a positive effect on the performance of projects.

5.3. Recommendation

From the above mentioned findings and conclusions, this study recommended that before any project is perceived for implementation, as the project is it is better to plan and preparing detailed procurement practice i.e. procurement procedure and method, suppliers souring and international procurement to implement the project. Trough procurement procedures and methods there must be using supportive procurement method, try to use acceptable tender regulation, the plan of procurement also clearly understandable goals and objectives of the project. Based on the conclusions therefore, the study recommends that INSA should include the above mentioned activities are ensuring that project performance improves.

The researcher also recommends supplier sourcing of INSA is also another critical function that helps to improve project performance. It is important for INSA to have procurement functions used by the country as whole and employees must be fully adopted acceptable tendering regulation, implement procurement policies, complete the implementation of purchasing manuals, serve suppliers effectively, submit proposals to potential suppliers and finally ensure that the organization is linked up to its suppliers and end users.

At last the researcher recommends international procurement practice has a major significant role as we see from the findings. INSA can improve project performance if they managed properly the Ethiopian customs import clearance procedures and implementation of single window has an advantageous to ensure that project performance costs of goods and services are reduced, quality services are delivered to end users at the right time.

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APPENDIX

St. Mary's University

Masters of Business Administration

Questionnaire

Dear Respondents,

My name is Edlawit Solomon, a final year student of at St. Mary's University. The main purpose of

this questionnaire is to gather information about the effect of procurement practice on project

performance for the partial fulfillment of the requirements for Masters of Business administration.

The outcome of this study will be used for academic purpose only.

Therefore, your genuine response to the questions is vital for the quality and successful

completion of the study. The accuracy of the information you provide highly determine the

reliability of the study

Contact Address:

Edlawit Solomon Tele - +251 13 00 46 32

E-mail – insaedl@gmail.com

Thank you in advance for your cooperation and taking your time to fill this questionnaire!

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SECTION A: Demographic Questions

Please kindly making a tick " $\sqrt{}$ " in the box

1. Gender						
Male		Female				
2. Age Brack	et in years					
20-25 1		26-30				
31-35		36-40				
41 -50		51 and Ab	ove			
3. Education	al Background	d:				
a) BA/BSC		b) MA/MS	SC		c) PhD	
d) Any other	(Specify)					
4. How long	have you work	xed at INSA?				
a) Less than 3	years			b) 3 –	- 6 years	
c) 7– 10 years	S			d) More th	nan 10 years	
5. Which div	ision are you v	working in?				
a. Procuremen	nt Department		b.	. Cyber seco	urity wing	
c. Electronic o	defense and op	eration wing				
6. The position	on you hold at	INSA				
a. Director		b. Supervisor		с. Т	Feam leader 3	
d. Officer		e. Other				

Section B: Issues Related with the study area

Please circle the alternative of your choice, the numbers below has been defined with their respective equivalent meaning to ease the questionnaire for each respondent. Hence;

1= Strongly Disagree 2= Disagree 3= Neutral 4=Agree 5=Strongly Agree

Please read each statement carefully and indicate your answer by making a tick " $\sqrt{}$ " or circle the number for questions with rating scale that best represent how you feel about INSA procurement Procurement procedure and methods and related issues .

No.	2. To what extent do you agree with the following					
	statement regarding Procurement procedure and	igly gree	ree	cal	d)	igly e
	methods of INSA	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
2.1	INSA prepared detailed procurement procedures of goods and service needed for a project.	1	2	3	4	5
2.2	INSA Public procurement methods are supportive for procurement process.	1	2	3	4	5
2.3	INSA identified and given special attention is for large quantity or those requiring special manufacturing or long lead time etc.	1	2	3	4	5
2.4	Procurement planning is helpful to having consistency in decision making.	1	2	3	4	5
2.5	INSA procurement method clearly understands the goals/objectives of the projects.	1	2	3	4	5
2.6	INSA procurement procedures Reduced operational costs.	1	2	3	4	5
2.7	INSA has quality management policies procedures & guidelines for procured goods and service.	1	2	3	4	5
2.8	Rate your Organization level of procurement management practice towards the improvement of project performance.	1	2	3	4	5
2.9	INSA procurement method considered risks in projects activities.	1	2	3	4	5
2.10	INSA able to deliver quality service to end users of the project.	1	2	3	4	5

Please read each statement carefully and indicate your answer by making a tick " $\sqrt{}$ " or circle the number for questions with rating scale that best represent how you feel about INSA supplier sourcing and related issues .

No.	3. To what extent do you agree with the following statement regarding supplier sourcing of INSA	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
3.1	INSA procurement department has fully implemented public procurement policy.	1	2	3	4	5
3.2	INSA employees managed suppliers' fairly and justly.	1	2	3	4	5
3.3	The organization is linked up to its suppliers and end users.	1	2	3	4	5
3.4	INSA employees have fully adopted acceptable tendering regulation.	1	2	3	4	5
3.5	Proposals are made and submitted to all potential suppliers.	1	2	3	4	5
3.6	Are late deliveries from suppliers contributing to poor procurement?	1	2	3	4	5
3.7	The procurement staffs of INSA have the necessary skills and experience to undertake the work on proposed projects.	1	2	3	4	5
3.8	Are problems in procurement processes directly linked to project performance?	1	2	3	4	5
3.9	Successful vendor selection results in improved quality, reduced cost and delivery.	1	2	3	4	5
3.10	Supplier selection and negotiation lead to better supplier relationship management and better project performance for the organization.	1	2	3	4	5
3.11	Distribution and delivery is made at the right time and place due to negotiation with suppliers.	1	2	3	4	5
3.12	Supplier selection and negotiation lead to better supplier relationship management and thus better project performance for the organization.	1	2	3	4	5
3.13	Most projects are completed in timeline	1	2	3	4	5

Please read each statement carefully and indicate your answer by making a tick " $\sqrt{}$ " or circle the number for questions with rating scale that best represent how you feel about INSA international procurements practices and related issues .

No.	4. To what extent do you agree with the following statement regarding international Procurement Practices of INSA	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
4.1	Ethiopian customs import procedures are simple and easy.	1	2	3	4	5
4.2	Ethiopian customs import clearance procedures are transparent and have consistency.	1	2	3	4	5
4.3	Ethiopian custom authority there is timely update and use of best practices taken from other countries.	1	2	3	4	5
4.4	There are training related to customs clearance procedures for the employees of INSA.	1	2	3	4	5
4.5	There is good progress of implementation of single window application.	1	2	3	4	5
4.6	Ethiopian customs laws and rules are difficult to interpret and understand to make decisions.	1	2	3	4	5
4.7	Ethiopian custom import procedures are direct effect on the project performance.	1	2	3	4	5

Please read each statement carefully and indicate your answer by making a tick " $\sqrt{}$ " or circle the number for questions with rating scale that best represent how you feel about INSA project performance in relation with time ,cost and quality and related issues .

No.	5. To what extent do you agree with the						e G
	following statement regarding INSA project						Agre
	performance in relation to time, cost and quality?	Strongly	Disagree	Disagree	Neutral	Agree	Strongly Agree
5.1	INSA Project managers (Directors) have the required level of project management skills.	1		2	3	4	5
5.2	INSA strongly follow up and support the progress of the project performance.	1		2	3	4	5
5.3	INSA has flexible project management response to problems/and or changed circumstances.	1		2	3	4	5
5.4	INSA evaluate the overall performance of the after the end of the project.	1		2	3	4	5
5.5	INSA evaluated the progress report of the project and take a corrective action immediately.	1		2	3	4	5
5.6	INSA project time management is critical for any successful project implementation.	1		2	3	4	5
5.7	INSA project managers have lack of schedule management.	1		2	3	4	5
5.8	INSA allocated the right types of resource in the right time.	1		2	3	4	5
5.9	INSA project provide a cost effective response.	1		2	3	4	5
5.10	INSA projects ends as per the schedule.	1		2	3	4	5

Thank you for taking your time to fill this questionnaire