International Journal of Academic Multidisciplinary Research (IJAMR)
ISSN: 2643-9670
Vol. 10 Issue 7 July - 2026, Pages: 588-594

An investigation into the effect of contract execution on Procurement performance in Rukiga District Local Government– Uganda.

Teddy Akakikunda[1], Professor Siraje Kaaya[2], Dr. John Bosco Turyasingura[3]

Faculty of Economics and Management Sciences Kabale University

Abstract: *This study examined the effect of contract execution on Procurement performance. The study adopted a convergent parallel mixed methods research design where by qualitative data was collected alongside quantitative data. Data was collected using structured questionnaires and interview guides from a sample of 295 respondents who were employees from Rukiga District Local Government. The respondents include procurement officers, contract committee members, contract managers, town clerks, mayors and other heads of user departments who have knowledge about the variables being studied. Respondents were selected using purposive sampling technique, census and simple random sampling technique. Quantitative data was collected using questionnaire and analyzed using descriptive and inferential statistics. Qualiatative data was collected using an interview guide and analyzed using content and thematic analysis. The findings of the study indicated that contract execution ($R = 0.743$, $\beta = 0.849$, $t = 16.800$, $p = 0.000$, $R^2 = 0.552$) had a statistically significant effect and positive effect on procurement performance. The study concluded that dimensions of contract execution is a critical determinant of procurement performance in Rukiga District Local Government. The study recommended that the government should fast truck the implementation of the digital contract execution in Rukiga District Local Government to ensure effective monitoring of contracts. The PPDA should also intestify post procurement audits in rural Local Governments and integrate contract execution performance indicators into the Local Government Performance Assessment Frame work.*

Keywords*: contract execution and Procurement performance*

1.0 Background of the study

Public procurement is one of the major contributors to economic development and infrastructural building in a country, especially in developing countries, where the expenditures of the government on goods, works, and services comprise a large portion of the country's GDP (World Bank, 2020). Public procurement constitutes 10%-20% of a country's GDP in the global sphere, thus, becoming one of the major tools for governments to attain development objectives (OECD, 2019).

Procurement performance evolution around the globe is an indication of how procurement has evolved over time from a purchasing clerical function to a strategic organization function that can create competitive advantage and value to the public (Van Weele, 2018). The performance of procurement in the years before the 1980s was measured through financial measures including reductions of purchase price and costs, owing to the perception that procurement's main purpose was to procure goods and services at the lowest cost (Van Weele, 1984; Van Weele, 2018). Though these measurements were quite useful in providing information on purchasing efficiency, they only gave a limited view of the performance of procurement since they did not capture other areas such as performance of suppliers, quality, innovation, risk management, sustainability, and value creation.

In the 1990s, the introduction of strategic management and supply chain management greatly changed the perception of procurement performance. Procurement was no longer considered only as an operation but as a factor which helps organizations in competing through supplier relationship management, quality enhancement, innovation, and adding value to customers (Ellram & Carr, 1994; Cousins et al., 2006).

The performance of procurement operations in the world was also marked by unregulated practices with no standard procedures, transparency in the oversight system, or competitiveness (Curado et al., 2021). Governments around the world purchased goods, works, and services through discretionary practices that were highly prone to corruption, wastage, cost overruns, and poor quality of products; all these aspects worked to hamper procurement performance and delivery of services (Kakwezi & Nyeko, 2019). With increasing complexity in governments and greater government expenditure, the overall cost of unregulated procurement systems became unsustainable, necessitating comprehensive reforms.)

One of the countries where the history of public procurement performance management has been well-documented is the US, due to institutional focus on efficiency, competition and value for money over many years. Accounts indicate that systematic federal purchasing was carried out in the period of the Continental Congress in 1778, when the system of appointment of purchasing agents was among the first institutionalised systems for the coordination of public procurement in the US (Thai, 2001). However, the procurement performance management became a reality only much later during statutory consolidation in the middle of the twentieth

century, including such laws as the Armed Services Procurement Act of 1947 and the Federal Property and Administrative Services Act of 1949, which laid down the basis of dual but highly structured procurement system for defense and civilian purchases (Yukins,2017).

In the United Kingdom, the development of procurement performance started from being an administrative process that was mainly about regulatory compliance to becoming a strategic aspect of governance that sought to provide value for money, efficiency, transparency, and other public values. This change became prominent towards the end of the 1990s due to worries about fragmentation of procurement processes, poor commercial skills, and inconsistent results of procurement processes between different government departments (Thai, 2001; Loader, 2007). The National Audit Office found out some major gaps in procurement capability and management, which resulted in reforms and the creation of the Office of Government Commerce in 2000 with the objective of improving procurement capability and promoting good practice in the public sector (National Audit Office, 2000). Recently, the Procurement Act 2023 has further strengthened all these reforms through creating a consistent procurement system that fosters transparency, competition, supplier performance, and value for money. It shows that procurement performance is not just about cost effectiveness but is also associated with achieving wider goals and objectives (Government of the United Kingdom, 2023; Sanchez-Graells, 2025).

In many African countries, poor procurement performance may be due to the legacy of colonial administration, where centralized procurement mechanisms and tendering boards were put in place for purposes of bureaucratic control and coordination and not for current purposes such as transparency, competitiveness, accountability, and developmental outcomes of procurement (Hunja, 2003; Odhiambo & Kamau, 2003). Post-independence, procurement was still governed by these legacies with poor institutional capacity and professionalism leading to poor procurement performance and hence motivating procurement reforms (Basheka, 2016; Odhiambo & Kamau, 2003).

Starting from the 1990s, most of the African countries introduced comprehensive public procurement reforms, which were generally facilitated by various development partners such as the World Bank and United Nations Commission on International Trade Law (UNCITRAL), in an attempt to improve procurement performance through enhanced transparency, competitiveness, accountability, and value for money (Hunja, 2003; Odhiambo & Kamau, 2003). Such reforms have been associated with the introduction of new procurement legislation, decentralization of procurement activities, setting up of procurement regulatory authorities, as well as the use of electronic procurement systems to increase governance and institutional effectiveness (OECD, 2016). While such efforts have gone a long way in improving procurement systems in Africa, there is clear evidence that the procurement performance in Africa was not evenly distributed, especially in the lower level governments where the lack of institutional capacity, weak contract management procedures and low accountability hindered procurement objective achievement (OECD, 2016)

Ghana's quest for enhanced procurement performance was brought into the limelight through the Public Financial Management Reform Programme (PUFMARP) launched in 1996. This revealed the existence of various weaknesses within the public procurement process in the country such as lack of a complete procurement policy, proper legal framework, an independent regulatory body and good procurement monitoring mechanisms (World Bank, 2003; Ameyaw et al., 2012). The above mentioned weaknesses made procurement in the public sector lacking in terms of transparency, accountability, competition and value for money and therefore the need to have reforms within the procurement process. The Government of Ghana introduced the Public Procurement Act of 2003 (Act 663) and later amended by the Public Procurement (Amendment) Act of 2016 (Act 914)..

In Nigeria, procurement performance can be attributed to the World Bank's Country Procurement Assessment Report (CPAR) where systematic problems were noted in the procurement system of the country such as lack of consistency in the process of procurement, weak institutional controls, poor accountability processes, and lack of legal framework which altogether contributed to the poor procurement performance (World Bank, 2000). Informed by these findings, the Public Procurement Act was enacted in 2007 where the Bureau of Public Procurement (BPP) was made the major institution charged with ensuring that there is standardization, monitoring and regulation of procurement activities in federal government institutions (Williams Elegbe (2014) The Act signified an important shift of institution in terms of moving to a rules-based procurement system aimed at improving efficiency, accountability, transparency and value-for-money outcomes. However, even with this, empirical evidence suggests that procurement performance continues to suffer from implementation issues such as lack of institutional capacity, political interference, poor compliance with the procurement regulations and corruption

In Kenya, procurement performance started during the colonial period when the Crown Agents handled overseas procurement while the Central Tender Board was formed in 1955 to handle government tenders (Mokaya, 2014). Following independence, the Central Tender Board was transferred to the Ministry of Finance in 1974 while the 1978 Supplies Manual provided the first official procurement guidelines (Akech, 2005). One major milestone is the Public Procurement and Disposal Act that came into force in 2005 which introduced an enabling legislation meant to improve procurement performance (Republic of Kenya, 2005). The new

Constitution passed in 2010 changed the procurement landscape through the process of devolution whereby procurement powers were transferred to 47 county governments (Republic of Kenya, 2010) in order to enhance procurement performance. Following devolution, there have been counties which embraced e-procurement as well as the Access to Government Procurement Opportunities (AGPO) policy in order to give opportunities to marginalized firms. Procurement performance was faced with constraints arising from poor ethics, inadequate capacity among staff and lack of compliance with regulations characterized by political interference, corruption, and inadequate documentation systems (Mutangili, 2025).

There have been tremendous changes in the performance of the procurement system in Rwanda, changing from a system that operated on a colonial decree of Belgium in 1959 to an internationally recognized public procurement system in a poor country (World Bank, 2018). The genocide against the Tutsi in 1994 resulted in the destruction of state institutions, making it necessary for the complete rebuilding of the systems of public financial management and procurement (Kimanuka, 2009). The enactment of the Public Procurement Law in 2007 marked a significant moment, providing a strong legal framework in line with international standards and the establishment of Rwanda Public Procurement Authority (RPPA) to manage the system (World Bank, 2018). This legal foundation became stronger following the adoption of the Umucyo e-procurement platform in the whole country in 2017, making Rwanda the first country in Africa to have a functioning e-procurement system (World Bank, 2018). Despite these developments in terms of institutions, procurement effectiveness is limited by certain problems that have been present in the system. Analysis of Auditor General's reports in all 27 districts and the City of Kigali conducted by Transparency International Rwanda (2026) shows that procurement problems form 40% of all public financial management problems, being the most important cross-cutting problem, while non-compliance with laws and regulations form 63.2% of total PFM problems. (Transparency International Rwanda, 2026).

Procurement performance in Uganda, especially within the local governments, began with the decentralisation and public sector reform initiative in the 1990s. After independence, procurement performance was influenced by a highly centralised government tender board system that had been put in place during the colonial period whereby all procurement functions were centralised within the central government and procurement performance was measured mainly on compliance with the set procedures but not on efficiency, accountability, value for money and service delivery (World Bank, 2004; Agaba & Shipman, 2007).Decentralisation reforms that began in the early 1990s under the National Resistance Movement government marked a major institutional change where political, administrative, and fiscal responsibilities were shifted from the central government to local governments. As noted by Saito (2003), the pace of decentralisation increased from 1993 onwards and was later entrenched in the Constitution of the Republic of Uganda (1995) and operationalised in the Local Governments Act, Cap. 243 (1997). The act transferred planning, budgeting, financial management and service delivery to district and lower level local governments. In essence, the decentralisation process changed the procurement framework in that procurement performance became dependent on the capacities of the decentralised institutions.

Even though the Local Governments Financial and Accounting Regulations (1998) and the Public Finance (Procurement) Regulations (2000) have formed the primary regulations on procurement in the context of decentralization, a more extensive procurement reform has become possible with the introduction of the Public Procurement and Disposal of Public Assets Act, 2003 that has created the Public Procurement and Disposal of Public Assets Authority (PPDA) as a national regulatory agency and developed a decentralised procurement process based on Procuring and Disposing Entities. In such a way, the procurement performance in Uganda has transformed from an administrative task to a strategic tool of public management aimed at ensuring transparency, accountability, competition, value for money and efficient delivery of public services even though some studies note that these goals have been hindered by institutional incapacity, poor governance and the inconsistent implementation of the process in local governments (Republic of Uganda, 1995; Republic of Uganda, 1997; Republic of Uganda, 2003; Agaba & Shipman, 2007; Thai, 2009; PPDA, 202).

Procurement Performance in Rukiga District Local Government originated in the decentralised procurement process of the government of Uganda, which is marked by gradual institutional development along with constant implementation problems. The establishment of the Local Government came about in July 2017 with its separation from Kabale District and is among the relatively new local government institutions that have been established in line with the decentralisation policy of Uganda. (Republic of Uganda, 1995; Republic of Uganda, 1997). Under this decentralised governance model, the process of public procurement is guided by the Public Procurement and Disposal of Public Assets Act, 2003 (as amended) while its implementation is coordinated by the Public Procurement and Disposal of Public Assets Authority (PPDA) whose procurement activities are carried out through institutional arrangements involving the Accounting Officer, Contracts Committee, and Procurement and Disposal Unit (Republic of Uganda, 2003; PPDA, 2021). Despite this continuous process of strengthening procurement structures and ensuring adherence to the national regulatory requirements, procurement performance continues to be faced with challenges including procurement planning and

contract management, timeliness in undertaking procurement activities, compliance with procurement policies, and monitoring and reporting among others, as revealed by a number of oversight bodies including PPDA and OAG.

Literature Review

Scholarly research has repeatedly shown that there exists a positive and statistically significant association between good contract execution and procurement performance, although the body of evidence in support of the finding has been relatively focused on construction and infrastructure than on the general public procurement process. This creates an essential contextual bias in the results emanating from literature due to the fact that findings from studies involving infrastructure-related contracts are unlikely to be readily applied to the case of district local governments which undertake different kinds of procurements. Theodore and Dieu (2024) identified contract execution as the dimension having the greatest positive influence on institutional performance at IPRC Musanze, Rwanda.

According to Johnson et al. (2024), procurement legacy systems pose barriers to contract execution performance in municipal government agencies in the USA due to the delayed decision-making processes and lack of adequate monitoring. According to Ampumuza et al. (2020), there was a moderately positive relationship between the contract execution and procurement performance in the Bugiri district local government in Uganda.Johnson et al. (2024) adopted a qualitative research approach where 19 in-depth interviews were conducted among municipal procurement and technology managers in seven cities in the USA. Although this kind of research yields valuable context information, it is limited by the relatively small sample size and single country focus that makes it hard to generalize results into other institutional settings. Also, Curado et al. (2020) applied a longitudinal quantitative approach in the analysis of secondary procurement expenditure data from 278 municipalities over several years.

The current study relates to those previous studies through investigating contract execution practices in Rukiga District Local Government through the use of descriptive statistics, correlation, and regression. The current study goes beyond that of Johnson et al. (2024), which was focused on solving a technological legacy problem. In comparison to their study, the current one considers contract execution practices within Rukiga District Local Government with a very low level of technological advancement. The idea that the execution of contracts in African local government relies mainly on the quality, motivation, and training of procurement officers directly leads to the investigation of contract execution practices and their effect on the performance of procurement in Rukiga District.

Boateng and Agyemang (2022) examined metropolitan assemblies in Ghana, which serve larger urban populations with greater fiscal resources than Rukiga District. Shikunzi Obadia et al. (2024) studied higher learning institutions, which operate in organizational environments with different structures, staffing profiles, and accountability systems compared to local government entities. These differences create contextual gaps that the current study addresses.

Mahongo Katamuna et al. (2024), in researching how public procurement processes influence the performance of public projects in Zambia, used structural equation modelling in studying the relationship between procurement processes and project performance. Although their results indicate that the adoption of procurement processes like Selective Quotation System and Competitive Bidding has positively influenced the performance of projects through increased delivery and cost effectiveness, the study was done in the context of the Zambian government, which is quite different from the decentralized procurement process in the Ugandan government. This leaves out a geographic gap since the procurement performance of projects in rural Ugandan districts could be influenced by other factors.

Yussuf A. Masoud (2024), investigating the contribution of staff competence to procurement performance in Tanzanian parastatal organizations, found that qualifications, technical skills, and management support significantly influence procurement performance. While the study offers important insights into human capacity factors, it does not examine contract execution or how execution activities directly affect procurement outcomes. Additionally, it focuses on parastatal organizations, creating a contextual gap since execution challenges in parastatals differ from those in local governments.

The current study addresses these gaps by shifting the focus from staff competence to contract management practices particularly contract execution and by using both questionnaires and interviews to enhance understanding of the contextual and methodological dimensions. The study also focuses on Rukiga District Local Government to generate empirical findings that reflect Uganda's local government context and fill the geographical gap left by studies conducted in Zambia, Tanzania, and Kenya.

Dieu (2024) conducted a study on the effect of procurement contract management practices on the performance of public institutions in Rwanda, a case study of Integrated Polytechnic Regional College Musanze. The general objective of this research was to examine the effectiveness of procurement contract management practices on the performance of public institutions in

Rwanda. The finding that execution had the highest positive effect on performance among all contract management dimensions, while empirically interesting, may reflect the specific context of a technical college where contract execution (delivery of technical equipment and training services) is the most visible and measurable performance dimension. This context-specificity weakens the generalizability of the claim that execution is universally the most important contract management dimension. In Rukiga District, where procurement spans road maintenance, health supplies, and administrative, this finding may not hold.

3.0 Methodology

3.1 Research Design

Research design refers to the structured plan that specifies how a study is organized and implemented to answer research questions and test hypotheses with methodological rigor (, Li and Chen, 2023). It provides the logical framework that connects the research problem, philosophical assumptions, research approach, data collection procedures, and analytical techniques. A robust research design ensures internal coherence, validity of inference, and explicability of procedures. The study adopted a cross sectional survey research design with data collected and analyzed at a single point in time and also embedded in a convergent parallel mixed methods frame work. (Leavy, 2017).

3.2 Study Area

The study was conducted in Rukiga District Local Government. Rukiga District, found in Southern Uganda bordered by Ntungamo in the East, Rubanda in the North West, Rukungiri in the North, Republic of Rwanda in the South East and Kabale in the south west. It is comprised of one country, four sub counties, two town councils, 30 parishes and 293 villages.

3.3 Study Population

Study population refers to a subset of the target population from which a sample is taken for statistical analysis (Gedd et al 2023). The study population for this study comprised of technical employees from Rukiga District Local Government who have information about contract execution and Procurement Performance. These technical employees who have this information were identified by the Senior Procurement Officer who helped the researcher to identify these employees from each department. The study population comprised of 400 employees of the Local Government.

4.0 Data Analysis and Interpretation of the Findings

The effect of contract execution on Procurement Performance

The figure below shows the correlation analysis between contract execution **and** procurement performance**,** showing the strength and significance of their relationship

Figure 4.4.2.1 Contract execution and Procurement Performance

		Contract Execution	Procurement performance
Contract Execution	Pearson Correlation	1	.743**
	Sig. (2-tailed)		.000
	N	231	231
Procurement performance	Pearson Correlation	.743**	1
	Sig. (2-tailed)	.000	
	N	231	231

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

The results indicate a strong positive relationship between contract execution and procurement performance, with a correlation value of **0.743**. This means that when contracts are properly executed for example through timely delivery, quality assurance, effective supervision, and adherence to agreed terms procurement performance tends to improve significantly. In simple terms, good contract execution helps organizations achieve better outcomes in their procurement processes.

The relationship is also statistically significant since the significance value **(**p = 0.000**)** is less than 0.01. This shows that the strong positive relationship did not occur by chance. Therefore, the findings suggest that effective contract execution greatly contributes to improved procurement performance in an organization.

Model Summary for CE &PP

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.743(a)	.552	.550	3.352

a Predictors: (Constant), Contract Execution

The model summary represents the output from a regression analysis on the association between contract execution and Procurement Performance. The coefficient of correlation (R) is 0.743, implying that there is a high positive correlation between these two variables. It means that an improvement in contract execution will lead to better procurement performance.

The R Square (R^2) value is 0.552, meaning that 55.2% of the variations in procurement performance are due to contract execution.

Coefficients

Model		**Unstandardized Coefficients**		**Standardized Coefficients**		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	**(Constant)**	**5.533**	**.934**		**5.926**	**.000**
	Contract Execution	**.849**	**.051**	**.743**	**16.800**	**.000**

a Dependent Variable: Procurement Performance

From the regression analysis result, it can be said that Contract Execution has a positive and statistically significant impact on Procurement Performance ($\beta = 0.743$, $t = 16.800$, $p < 0.001$). As per the unstandardized coefficient (B = 0.849), it can be understood that a one unit change in Contract Execution leads to 0.849 units change in Procurement Performance. The standardized coefficient (Beta = 0.743) also depicts a strong positive association between the two variables, thereby, improving contract execution will definitely boost procurement performance. The constant term (B = 5.533, $p < 0.001$) shows that if Contract Execution is kept at zero, then Procurement Performance will become 5.533 units. As the p-value for Contract Execution is less than the 0.05 level of significance, the association between the two variables is statistically significant and hence, the null hypothesis that Contract Execution has no significant effect on Procurement Performance is rejected.

Recommendations for the study

According to the study, the PPDA should incorporate the contract implementation performance indicators in its annual assessment framework in order to come up with a standardized means for assessing the efficiency of the monitoring process.

According to the study, the Rukiga District Local government should set up efficient monitoring committees involving engineers, auditors, procurement personnel and users in order to have comprehensive oversight on the contract execution process.

According to the study, the district should conduct quarterly audits and field inspections in order to identify any deviations early enough during contract execution

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