
**THE EFFECT OF CONTRACT MANAGEMENT ON PROCUREMENT
PERFORMANCE: A CASE STUDY OF CHEMICAL,
INDUSTRIAL AND PHARMACEUTICAL
LABORATORIES LIMITED**

BY

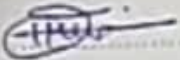
ODUR GILBERT

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**A RESEARCH REPORT SUBMITTED TO BUSITEMA UNIVERSITY FACULTY OF
MANAGEMENT SCIENCES IN PARTIAL FULFILLMENT OF
REQUIREMENTS FOR THE AWARD OF BACHELOR'S
DEGREE IN PROCUREMENT AND SUPPLY
CHAIN MANAGEMENT**

DECLARATION

DECLARATION
I ODUR GILBERT, hereby declare to the best of my knowledge that the information presented in this report was out of my own effort and has never been presented in any higher institution of learning for any academic award or otherwise.

Sign. 

ODUR GILBERT

31 / 07 / 2024

Date

APPROVAL

APPROVAL

I confirm that this report was carried out and written by ODUR GILBERT under my supervision and it is now ready for submission to the department of Economics and management in fulfillment of the requirements for the award of a Bachelor's Degree in Procurement and supply chain Management.

Sign: 

Date: 31/08/2024.

Name: MR. KALENZI ABBEY

DEDICATION

I dedicate this piece of work to my beloved Father Mr. Okulo Sam and my beloved mother Mrs. Ayuru keren, my sister and brothers who managed to accord me all the necessary support in my academic endeavors and for having thought of education and introducing me to it at a tender age. May the Almighty God reward your efforts and bless you abundantly. I strongly hold the view that my success is your pride

ACKNOWLEDGEMENT

With great honor and respect, I pay much gratitude to the Almighty God, my maker who has given me knowledge and wisdom to reach at this level and be able to complete this task.

I acknowledge my support system in my family and friends for their financial, moral, spiritual support and guidance accorded to me during this noble course.

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LIST OF ABBREVIATIONS

| | |
|--------|--|
| SPSS | Statistical Program for Social Sciences |
| CIPLA | Chemical, industrial and pharmaceutical laboratories limited |
| GDP | Gross domestic product |
| VFM | Value for Money |
| PPRA | Public Procurement Regulatory Authority |
| UNRA | Uganda National Roads Authority |
| PPDA | Public Procurement and Disposal of Public Assets |
| C.V.I. | Content Validity Index |

LIST OF FIGURES

Figure 1: conceptual framework showing the link between contract management and procurement performance 18

ABSTRACT

The purpose of the study was to establish the effect of contract management on procurement performance in CIPLA quality chemical industry limited. The objectives of the study were: to examine the effect of contract administration on procurement performance, to examine the impact of contract relationship management on procurement performance, and to examine the effect of contract closure on procurement performance in CIPLA quality chemical industries limited. The study adopted a cross sectional research design with quantitative approach to draw a sample of 66 from a population of 80 respondents as guided by Mogan and Krejcie, (1970). The findings revealed that contract administration, contract relationship management and contract closure independently predicted procurement performance. The study however had some limitations: First the study adopted a cross-sectional research design with its inherent weakness. Secondly, the study major in private setting to draw conclusions and recommendations. The study recommends that: contract administration, contract relationship management and contract closure must be effectively implemented to improve procurement performance in CIPLA.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter looks at the background of the study, problem statement, purpose of the study, research objectives, research questions, scope of the study, significance of the study and the conceptual framework.

1.1 Background of the study

Procurement performance refers to the ability of the procurement function in the organization to fulfill its mission through sound management, strong governance and a persistent rededication to achieving results (Mahapatro, 2010) and according to Sabiiti et al. (2011), procurement performance is defined as the process of quantifying the efficiency, effectiveness, transparency and quality of products.

Van Weele (2002) noted that there are two main aspects of the procurement performance: effectiveness and efficiency. Procurement effectiveness as defined by Van Weele (2002) is the extent to which the previously stated goals and objectives are being met. In other words it refers to the relationship between actual and planned performance of any human activity. Additionally, he explains that procurement efficiency is the relationship between planned and actual resources required to realize the established goals and objectives and their related activities, referring to the planned and actual costs.

Poor procurement performance is a major hindrance to procuring entities growth since it causes the delay of delivery, increase of defects, delivery of low quality goods or non-delivery at all (Gordon & Murray, 2009). Likewise Gunasekaran, (2013) pointed out that despite the fact that there are various studies that focus on procurement performance many procurement activities suffer from neglect, lack of direction, interference, poor co-ordination, lack of open competition and transparency, differing levels of corruption and most importantly not having a cadre of trained and qualified procurement specialists who are competent to conduct and manage such procurements in a professional, timely and cost effective manner.

Globally, Germany is one of the largest economies in Europe and each year the public sector in Germany awards contracts worth a sizeable portion of its GDP to private companies. In 2020,