



**CONTRACT MANAGEMENT AND VALUE FOR MONEY IN THE PUBLIC SECTOR;
A CASE OF UGANDA ELECTRICITY AND TRANSMISSION AND COMPANY
LIMITED (UETCL)**

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ABSTRACT

UETCL is experiencing poor value for money which is likely attributed to unmet contract obligations, failure to deliver services as specified under contracts and cost escalation leading to low value for money and litigation (PPDA Newsletter April-June, 2012). Therefore this research was carried out to establish the relationship between contract management and value for money, case study being UETCL. The objective of the study included; examining the relationship between contract negotiation and value for money; determining the relationship between contract mobilization and value for money; and establishing the relationship between contract monitoring and value for money in UETCL

The study used cross-sectional survey research design adopting both quantitative and qualitative approach. The researcher used a sample of 44 respondents and simple random together with purposive sampling was used. The methods of data collection were questionnaires and interview guides. Pearson's correlation was used to determine whether there is a linear relationship between the independent and the dependent variables.

The findings of the study revealed that negotiation and value for money had a correlation coefficient $r= 0.78$ with $p=0.000$ which is less than the recommended level of significance (0.01). Furthermore, contract monitoring changes at a percentage of 45.8% with value for money giving a correlation of $r=0.677$. Finally contract mobilization changes at a percentage of only 14.6% with value for money and correlation coefficient $r=0.382$.

The research concluded that there is a positive relationship between contract management and value for money whereby effective contract management is related to high value for money and vice versa. The study recommends that sufficient remuneration for contract managers, negotiation teams and evaluation committees should be planned for and continuous training of participants in the procurement process.

Keywords: Contract Mobilization, Contract monitoring, Contract Negotiation, Value for money