



# The Decentralized Procurement System: A Comparative Scenario of TAA with other Procuring Entities in Tanzania Mainland

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## 1.0 Introduction

Public procurement is a powerful driver of development. In addition to providing goods and services a country needs, the act of procurement itself can strengthen local economies, support marginalized groups and boost local capacity for commerce.<sup>1</sup> Tanzania Airports Authority, whose acronym is TAA, was established on 29<sup>th</sup> November, 1999 vide Government Notice,<sup>2</sup> under the Executive Agency Act.<sup>3</sup> It was officially inaugurated on 3<sup>rd</sup> December, 1999. Before 1999, in 1974 TAA started as division under the Department of Roads and Airports in the Ministry of Works. TAA later became a full department under the Ministry of Works, Transports and Communications in 1980. Such full fledged department continued to change in various forms compatible on changes that were happening in the Ministry of Works, Transports and Communications. After 1999, TAA assumed functions of the former Directorate of Aerodromes under the Ministry of Communications and Transports, currently the Ministry of Works, Transports and Communications. The establishment of the Authority was a part of the Government efforts in

<sup>1</sup> file:///C:/Users/hm/Downloads/2011\_supplement\_transparency.pdf (Accessed on 20 September, 2018).

<sup>2</sup> See Government Notice No. 404 of 1999.

<sup>3</sup> Act No. 30 of 1997.

changing the public sector, geared towards improving services provisions in Tanzania Mainland.<sup>4</sup> The core functions of TAA are to operate, manage, maintain and make development of all airports and airstrips in the country. It ensures provisions of services in a professional and cost effective manner. TAA also has visions of providing comfortable efficient and secure services and reliable facilities for better movement of passengers and cargo, for both domestic and international airlines operating in the country, for sake of offering positive image within and outside Tanzania Mainland. TAA has also a responsibility of offering technical advice to the central government regarding the developments of all airports in the country. Indeed, in achieving that goal, TAA ensures that, Governments' airports policies, regulations, procedures and international standards are well met. As of now, TAA offers airline operations through three (3) international airports,<sup>5</sup> seven (7) regional airports,<sup>6</sup> and forty eight (48) airstrips,<sup>7</sup> countrywide. Offering services in above mentioned international, regional and airstrips is not an easy task, and in order to offer effective and efficient operations, TAA in some occasions finds engaged in various bidding activities relating to goods delivery, works, consultancy and non-consultancy, offered by various Bidders engaged by TAA every financial year. The preparation of this article has been largely necessitated by observations made during field research conducted by the writer of this academic writing. Since the article examines legal necessity of having uniform decentralized procurement system in Tanzania Mainland, the writer argues that, there is a high need for the government, and its procurement agencies such as PPRA, to see the importance and necessity of having uniform decentralized procurement system in all procuring entities in Tanzania Mainland. This necessitates the fact that, currently, there is no a specific and statutory guarantee under current procurement laws and regulations in place, giving guidance on this matter. From the experience and observations made, it seems that, every procuring entity chooses whichever procurement system to use, however unhealthy it might be in the course of conducting their respective public procurement functions. Since this matter is nowhere indicated under current procurement legislation, and it is regulated under internal administrative guidelines of the procuring entities, the procuring entities

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<sup>4</sup> TAA is set to dedicate its resources in providing high quality airports services and facilities in the most cost-effective manner, and hence it is mainly committed to provide high quality services to customers through customers focus, employee development, transformation leadership, safety and security, integrity and team work within the organization.

<sup>5</sup> TAA has three (3) international airports, which are Julius Nyerere International Airport (JNIA), located in Dar Es Salaam region, Kilimanjaro International Airport, located in Kilimanjaro region and Songwe International Airport, located in Mbeya region.

<sup>6</sup> Seven regional airports as operated by TAA include Tanga, Arusha, Lake Manyara, Kigoma, Mtwara, Mwanza and Tabora.

<sup>7</sup> TAA also operates its services in a number of airstrips, which are: Biharamulo, Kasulu, Uvinza, Kibondo, Ukerewe, Loliondo, Maswa, Kahama, Ulambo, Kirondatal, Kilimanjaro, Same, Kondoia, Inyonga, Manyoni, Mvumi, Mkwaja, Kongwa, Mpwapwa, Kilosa, Morogoro, Utete, Mafinga, Mufindi, Ifakara, Mbeya, Chunya, Njombe, Liuli, Mbambabay, Tunduru, Masasi, Nachingwea, Lindi, Kilwa Masoko, Mafia, Songea, Iringa, Singida, Mpanda, Sumbawanga, Shinyanga, Bukoba, Mombo, Musoma, Ngara, and Moshi. This also includes other airstrips available in the National Parks and Game Reserves like Ruaha, Selous and Serengeti, etc.

have managerial freedoms to choose which procurement system preferable and favourable at a given time. The managerial freedom of choosing whichever the procuring entity wishes to use, from observations and experience, seems to have no guarantee to proper use of public resources, leave alone observing procurement principles as laid down under current procurement legislation in Tanzania Mainland. It is a suggestion of the writer that, this system is no longer healthy, and therefore, some changes under current procurement legislation should be made to ensure and current procurement system a robust and promising one.

## 2.0 Current Procurement System and Procurement Ceiling at TAA

It will be recalled that, before September 2013, procurement matters at TAA were centralized, and every procurement proceeding was conducted or handled by TAA, Headquarter in Dar es Salaam. The said centralized procurement system seemed to have some inefficiencies and it was eventually suggested that, the existed centralized procurement system be transformed and became decentralized. In the event of the above scenario, TAA management in 2013 proposed and deliberated to establish Zonal Procurement System (ZPS). In that, seven zones were established, leading the employment of five Zonal Procurement Officers, who were responsible to handle all procurement matters in their respective zones. The said zones were South Zone, based in Mtwara region, North Zone, based in Arusha, Lake Zone, based in Mwanza, Songwe Zone, based in Mbeya, and Julius Nyerere International Airport (JNIA) as an independent established Directorate. The proposed zones above mentioned, had a mandate to perform procurement proceedings in their respective zones, of amount ten millions shillings as threshold. The threshold of ten million shillings seemed to cause inefficiency, and therefore, the said threshold was increased to fifty millions shillings, with exception to Julius Nyerere International Airport (JNIA), of which threshold was increased to one hundred millions shillings.<sup>8</sup> Unexpectedly, in 2015 soon after General Election, the new TAA management took office, and as a result, decentralized system of procurement which was earlier established by previous management was eventually changed again to centralized system of procurement.<sup>9</sup> As of now, all procurement proceedings at TAA are centralized, and they are conducted at the TAA, Headquarter, Dar Es Salaam,

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<sup>8</sup> See a letter dated 2<sup>nd</sup> September, 2015, signed by late S.S. Suleiman (MD), with a title “Delegation of Procurement Functions”, a Circular for Procurement Function at Zonal/Regional Airports, Level. The late Managing Director, in his letter emphasized that, procurement mandate in five zones should be commencing with immediate effect, and powers to facilitate procurement functions were given to the respective Managers of the zones. In terms of the 2011 Public Procurement Act, and its regulations, in the exercise of his powers, MD also delegated powers to zones, by appointing ‘Zonal Delegated Tender Boards (ZDTB) and Management Procurement Unit (PMU), mandated to conducts procurement proceeding of the threshold earlier mentioned.

<sup>9</sup> A letter dated ....revoking decentralization system of procurement and re-establishes centralization system of procurement at TAA.

with the exception to, as earlier stated Julius Nyerere International Airport (JNIA), which until today has remained as independent Directorate vested with a mandate to make procurement as indicated in the letter previously mentioned.

### 3.0 Centralized versus Decentralized Procurement System

Public procurement system is decentralized in Tanzania Mainland. This means that, all public entities covered by the law conduct procurement functions individually through the means permitted by the procurement legislation. For purposes of this article, TANESCO<sup>10</sup> is a good illustration. Centralized procurement is also permitted through framework agreement. The agreement is arranged by the Government Procurement Services Agency (GPSA) for procurement of common use items, in terms of the conditions provided by the procurement laws applicable in Tanzania Mainland.<sup>11</sup> For purposes of this study, TAA is a good example of public entities using centralized procurement system.

There has never been unanimous view on the use of above named procurement systems all over the world, especially in current modern procurement agenda. Some eminent scholars in public procurement have preferred on the use of centralized system of procurement, while others say that, the best procurement system which is taken as the best one is that of decentralized system. Other scholars say that, hybrid system should be introduced and replace both of the two systems that exist when it is evident that they are not effective enough to cater procurement challenges that sometimes happen unexpectedly. Of course, from observation made in this article, TAA is one among procuring entity preferred to centralized procurement choice in early 2015, following revocation of the decentralized system, which was earlier used by the entity. Before examining in detail the issue of having a uniform decentralized procurement system, with reference to TAA, let us see experience from other international jurisdictions regarding the matter in question. It is contended that, on the surface, centralized procurement seems preferable to the alternative. Indicating drawbacks of the centralized system of procurement, Peter Smith, for instance,<sup>12</sup> has generally observed thus:

<sup>10</sup> The Tanzania Electric Supply Company Limited (TANESCO) is a Tanzanian parastatal organisation established in 1964.

<sup>11</sup> IDFI, "Recommendations for the Public Procurement System of the United Republic of Tanzania", Hivos, 2018, pp. 1&2.

<sup>12</sup> <https://spendmatters.com/2014/09/23/centralized-vs-decentralized-procurement-seeing-the-benefits-and-challenges-of-centralization/> (Accessed on 24<sup>th</sup> September, 2018).

“It is perhaps easier to see the potential benefits of centralization than the drawbacks. Centralization means control – being able to control the suppliers and contracts that the organization uses. It means procurement can develop capability, and aggregate spend more easily.”<sup>13</sup>

According to Peter Smith, there are, of course, other benefits of centralization as well, including the ability, when executed well, to more successfully address non-price factors in procurement decisions at the periphery of the business. For example, centralized process, information and control can help drive more successful supplier risk management, supplier diversity and corporate social responsibility initiatives, and yet centralization also comes with drawbacks, especially in “larger, more complex organizations in particular. The same Peter makes further observations regarding centralized system of procurement by stating thus:

“Centralized functions (including procurement) can be bureaucratic and perceived as major cost centers by the business, becoming an easy target for cost reduction themselves. The more complex the organization, the more chance there is of central functions simply getting swamped by data and multiple priorities, and losing direction. The business focus can be lost with centralization – ‘they just don’t understand my needs,’ becomes the business user catchphrase when describing procurement!”<sup>14</sup>

It is further observed that, there are other drawbacks as well, of course, and perhaps the most important of which is that, centralization can make it difficult for procurement to truly embed itself in the business. This analysis by Jason Busch is based on Peter Smith’s paper, “Centralize or Devolve Procurement? Why not both?” which has in fact caused a great debate and raised disagreements among public procurement scholars in today’s modern procurement in the world. Jimmy Anklesaria, on the other hand, has discussed in detail on this great debate of centralized and decentralized systems of procurement. The authors are of the view that, centralized system is acceptable in

<sup>13</sup> Busch, J., “Centralized vs. Decentralized Procurement: Seeing the Benefits and Challenges of Centralization,” September 23, 2014, p.3. Lysons, K., and Farrington, B., “Purchasing and Supply Chain Management”, Pearson Education, London, 2006 as cited in Achieng, O. H., Githii, W., and Ombati, O. T., “Lean Supply Chain and Performance Enablers at Homa Lime Company”, American Journal of Industrial and Business Management, Vol. 8, No. 5, May 16, 2018, p. 10. See also Kanepejs, E., and Kirikova, M., “Centralized vs. Decentralized Procurement: A Literature Review”, Riga Technical University, Latvia, pp. 223-229. See also Kobayashi, R., and Mori, M., Samejima, M., and Komoda, N., “An Interactive Evaluation Method of Decentralized Procurement Plan by Multi-Objective Genetic Algorithm”, International Conference on E-Business, 2013. pp. 1-8. See also Chunjie, L., *et al*, “Based on DEA/AHP Centralized Procurement Model of Electrical Equipment Supplier Optimization Study”, Advanced Material Research, Vol. 452, No. 453, 2012, pp. 888-893. See also Guan, X., and Liu, M., “Coordination in the Decentralized Assembly System with Dual Supply Modes”, Discrete Dynamics in Nature and Society, Vol 2, No. 5, 2013. pp. 1-9.

<sup>14</sup> *Ibid*, Busch, J., “Centralized vs. Decentralized Procurement: Seeing the Benefits and Challenges of Centralization,” September 23, 2014, p. 5. Karjalainen, K., Challenges of Purchasing Centralization: Empirical Evidence from Public Procurement, HSE Print, 2009, pp. 212-220. See Also Junior, W. F. S., “Assessing the Efficiency of Centralized Public Procurement in the Brazilian ICT Sector”, *International Journal of Procurement Management*, Vol. 6, Issue No. 1, 2013, pp. 58-75. See also Glas, A. H., Schaupp, M., and Essig, M., “An Organizational Perspective on the Implementation of Strategic Goals in Public Procurement”, *Journal of Public Procurement*, Vol. 17, No. 4, Winter 2017, p. 576. See also Jenkins, F. S., Decentralization and Accountability Challenges to Appointing Independent Bid Committees in the Public Sector. In: Nyeck S. (Eds) Public Procurement Reform and Governance in Africa. Contemporary African Political Economy, Palgrave Macmillan, New York, 2016, pp. 157-180.

circumstance where in many large global companies when control and decision making regarding procurement proceedings can be executed from the headquarters. Jimmy Anklesaria in cementing his above argument was heard to have stated thus:

Many in the procurement profession are convinced that control must emanate from headquarters and all purchasing categories must be managed from there. In today's environment where companies now operate all over our very flat world, that mindset needs to change. It's better to shift the perception from "decision making from central headquarters" to "centralized decision making," and even consider a new hybrid procurement operation called "regional central procurement." With this model, procurement decisions are centralized in the region where most of the operations and suppliers are located, not at the company's headquarters.<sup>15</sup>

The authors try to defend centralized system of procurement by highlighting some scenario, which support what they try to argue. When a major electronics company, for example, uses Printed Circuit Boards (PCBs) in its manufacturing process in Taiwan where the bulk of those suppliers are located, it makes more sense to centralize the global category team for PCBs in Taiwan, not the head office in Silicon Valley or some city in Central Europe.<sup>16</sup> According to Jimmy Anklesaria views on the choice of which system suits a particular procurement system, his further argument is that, the decision to centralize or decentralize procurement should be made based on factors like process, talent and pace of the business.<sup>17</sup> He states further that, those that argue in favor of decentralized procurement purely based on *proximity* to a key manufacturing location or supply base should keep in mind that it is necessary to use a common corporate-wide process. What a company would not want is for there to be a different strategic sourcing process for each team or region. A center-led but decentralized procurement process could work where templates and procedures are common across businesses, but decisions are made by a category team located in a specific region. Defending his argument on "pace" factor, it is said that, the "pace" of business is also a determining factor in whether to centralize or decentralize procurement. In the Oil And Gas Industry it takes years to sink oil wells and decision making is fairly slow. In such cases, a centralized structure would work. However, in the electronics industry which is far more dynamic, it may be prudent to have category teams located closer to the action and decentralized procurement would make more sense.

<sup>15</sup> Anklesaria, J., "Centralize or Decentralize Procurement? No Longer a Clear-Cut Choice", Anklesaria Group, Inc, 2014. p. 6.

<sup>16</sup> <https://www.thomasnet.com/insights/procurement/2014/09/11/regional-central-procurement-is-best-of-both-worlds/> (Accessed on 18<sup>th</sup> September, 2018).

<sup>17</sup> <https://www.tamr.com/blog/centralize-sourcing-with-confidence/> (Accessed on 26<sup>th</sup> September, 2018).

Jimmy finally states an important factor which can lead to either make centralized or decentralized procurement system, and such factor is that, there is the issue of attracting talent.<sup>18</sup> This should be implemented and considered regardless of whether procurement is centralized or decentralized. A category team must consist of really talented individuals whose focus is more on being good business partners than just saving money. Companies or procuring entities need to keep this in mind when making the decision on where to locate a global category team. There are some companies where both headquarters and the key businesses are located not in most prestigious location where it is difficult to attract good talent and naturally end up drawing from a limited applicant pool. In such cases, a decision is taken to centralize procurement in a region that has good universities, standard of living and opportunities for growth – thereby attracting top talent. Good companies understand that centralized procurement does not necessarily mean the decisions have to be made at headquarters. They recognize there are many benefits to this hybrid arrangement, which allows for regional central procurement and group decision-making to leverage volume. It is, therefore, hard to imagine that, there will be numerous category teams located in different parts of the world depending on the location of the manufacturing facilities and key as well as bulk suppliers. More importantly, when there is a truly global category team, members of the team should represent the key business units that use a certain category and not a bunch of individuals located in a county where the head office is situated. It is the ultimate combination of the power of centralization with the benefits of decentralization. In a case where central procurement takes place from a specific region, the divisions or business units do not buy goods independently, they buy off a corporate contract for all of their operations. Ideally, to leverage volume, the global category team will follow a global category strategy and use a Corporate Contract or Master Service Agreement (MSA) that applies to all purchases of a particular product or service across all business units.<sup>19</sup> Jimmy in his paper entitled “Centralize or Decentralize Procurement? No Longer a Clear-Cut Choice” states three merits of the centralized procurement. He says in first aspect, centralized system of procurement ensures success. The category team in the region where most manufacturing takes place is closest to the operation and probably its supply base, so that they can spend more efficiently than someone from a faraway home office. The people closest to the operation and who actually procure the products or services have more credibility with the suppliers. Of course, this assumes that the manufacturing plants are in the same general region as that of the major suppliers. If not, then a global category team may be

<sup>18</sup> <https://www.purchasecontrol.com/blog/centralized-vs-decentralized-purchasing/> (Accessed 29<sup>th</sup> September, 2018).

<sup>19</sup> Ibid.

located either close to the largest manufacturing region or that of the major suppliers. Secondly, centralized procurement system promotes good supplier relationships. It is said that when a category team is located near its supply base, good supplier relationships will grow organically around shared interests. It is, therefore, very difficult and expensive to build successful relationships from a far. Thirdly, centralized system of procurement is seemed to be less costly and easier to manage. When a company uses regional central procurement, it does not need to spend thousands of dollars for flight charges and save considerable time, energy, to move from headquarters for sporadic supplier meetings which inevitably are for short period. Suppliers appreciate and cooperate with the procurement teams whom they trust because of a good relationship, and that is hard to build from a distant place. Jimmy, however, has also said about decentralized system of procurement, where it is argued that, decentralized procurement system is important as well because the division is acting on its own, arguing that, it is certainly not one size fits all, and companies need to select the model that works best to meet its financial objectives. This is because the new hybrid, regional central procurement, is becoming popular as a result of the globalization of corporations, and thereby increasing responsibility of business units to contribute to the bottom line. Today, more companies are recognizing regional central procurement can offer advantages over centralized procurement. It is believed that, one way to increase the efficiency and the effectiveness of public procurement is the choice between a centralized system, where there is a central body who is in charge of handling the purchasing activity (select contractors, negotiate prices and conditions, make purchasing decision) for end-users (i.e. local units), who are just required to send their requests to it, and a decentralize system, where local units procure on their own.<sup>20</sup>

Some other procurement exponents such as Dimitri *et al*,<sup>21</sup> claim that there is a clear trend towards centralization of public procurement in Europe, United States and Southern America, even if governments change frequently direction and the new reforms are conflicting with the preceding ones. It is contended that, a fully decentralized purchasing process, where procurement is managed at the local level, is usually criticized on the ground that it can be associated with fragmentation, inefficiency and poor transparency. However, a fully centralized system could suffer from a lack of flexibility, which is required when goods and services that must be procured are complex and

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<sup>20</sup> See Baldi, S., and Vannoni, D., "The Impacts of Centralization on Pharmaceutical Procurement Prices: The Role of Institutional Quality and Corruption", University of Torino and Collegio Carlo Alberto. Also [https://www.researchgate.net/publication/299628398\\_Aggregation\\_versus\\_value\\_based\\_procurement\\_in\\_public\\_healthcare\\_procurement](https://www.researchgate.net/publication/299628398_Aggregation_versus_value_based_procurement_in_public_healthcare_procurement) (Accessed on 10<sup>th</sup> September, 2018).

<sup>21</sup> See Dimitri, N., Dini, F., Piga G., When Procurement Should be Centralized?, in Dimitri N., Piga G., Spagnolo G., (eds.), *Handbook of Procurement*, Cambridge University Press, Cambridge, N.Y., 2006. p. 12.



involve, other than cost considerations, quality and value aspects, too.<sup>22</sup> Examining on centralization versus decentralization, it has been observed that, the manufacturing sector spends more than 65% in purchasing goods and services, so it is not surprising that private managers, public managers and policy makers are putting more and more attention on this practice.<sup>23</sup>

During the 90's, many big companies went through important reorganizations of their activities, including purchasing, and adopted different combinations of centralized and decentralized procurement. Name of them few as Motorola, General Electric, United Technologies and Fiat, decentralized this function, while some others, such as Honda and General Motors, centralized it. Some scholars examine the purchasing cooperation between independent firms.<sup>24</sup> The main motivations for the establishment of purchasing consortia are to save on costs and to collect information on supply markets. It is straightforward to notice that advantages deriving from belonging to a consortium could be very close to the advantages of using a centralized structure.<sup>25</sup> Learning a lesson from Italy, the healthy sector has become an interesting scenario where both centralized and decentralized systems coexist, and in this scenario Calabrese *et al* emphasizes use of centralized and decentralized by stating thus:

“Italy – as many others European countries – has been experimenting with a new idea of public purchasing that allows public administration to purchase goods using alternative methods and practices in every stage of the purchasing process such as on-line purchasing, purchasing group, purchasing consortia and centralized purchase systems”.<sup>26</sup>

<sup>22</sup> OECD, “Centralized and Decentralized Public Procurement”, *Sigma Papers*, No. 29, OECD Publishing, 2000.

<sup>23</sup> Cousins, P., and Spekman, R., “Strategic Supply and the Management of Inter and Intra Organizational Relationships”, *Journal of Purchasing & Supply Management*. 2003. pp. 19–29.

<sup>24</sup> Ibid.

<sup>25</sup> Tella, E., Virolainen, V., “Motives behind Purchasing Consortia”, *International Journal of Production Economics*, 2005, pp. 161–168.

<sup>26</sup> Calabrese, C., Delbufalo, E., Fiorani, G., Frey, M., and Meneguzzo, M., *Centralization and Networking in Italian NHS*, European Benchmarking and Performance Evaluation, 2010, p. 3. See also France, G., Taroni F., and Donatini, A., “The Italian Health-Care System”, *Health Economics*, 2005, pp. 187-202. Also see Vellez, M., “Auctions versus Negotiation: Evidence from Public Procurement in the Italian Healthcare Sector”, *CEIS Research Paper Series*, Rome, 2011, p. 9.

#### 4.0 A Comparative Experience from TAA

As earlier stated, all procurement proceedings at TAA are now centralized, and they are conducted at the TAA, Headquarter, Dar Es Salaam, with the exception to, as earlier stated, Julius Nyerere International Airport (JNIA), which until today has remained as Independent Directorate vested with a mandate to make procurement as indicated in the letter previously mentioned. Regional airports are also allowed to conduct minor and micro procurements as evidenced in Arusha, Mwanza, Mtwara, Mbeya and Tanga Airports, etc. This being a case, it is important to be examined the concept of centralization and decentralization systems in public procurement, which also at examining merits and demerits of both of the two systems so that at end of this explanation, this article can recommend on which system of procurement can be beneficial to this procuring entity in Tanzania Mainland.

From a detailed examination of centralized and decentralized system of procurement in various public procurement systems in the world as comparable to the one used in Tanzania Mainland, it is obvious that, to choose between a centralized and a decentralized procurement policy is not an easy task. From the views of some respondents interviewed, it is clear that, at TAA, some procurement practitioners are not in favour of centralized system of procurement currently used there, some arguing that, centralized is not as effective as centralized system, taking an example of procurement contract execution, where tendering procedures are conducted the headquarters in Dar es Salaam, meanwhile the contract execution is done elsewhere. This has in fact brought of procurement challenges within the procuring entities. It has been severally observed that, TAA as procuring entity incurs costs of sending procurement or project managers far form where tendering procedures were conducted. It has also been found during interview with some procurement practitioners that, regional airports should submit the requisitions which they are above threshold of their mandate to TAA headquarters, Dar es Salaam since they only now have mandate to conduct procurement proceedings of either minor or macro value procurements. This has caused some services to be rendered inefficiently waiting procurement decisions form headquarters, Dar es Salaam. Moreover, it was also observed that, procurement proceedings are conducted at headquarters, and procuring functions at regional levels have remained waiting only to implement directives, where according to assessment made in this arti,le it has become a serious challenge when it comes to implementation of procurement contract. It was also noted that, since cancellation of Tender Boards in March 2018, mini and micro value procurements have been conducted continuously at regional level, with lack of knowledge in procurement laws and regulations in place. As of now, the

mentioned mini and micro value procurement are conducted by Regional Accountants and in a case where there is a serious issue which requires urgent attention, and then they should seek consultation from procurement officers available at TAA headquarters. It was also reported by some officers dealing with procurement that, centralized system of procurement diminishes a chance for some bidders to equally participate in procurement competitions as sometimes Bids are advertised by TAA headquarters, Dar es Salaam and Bidders available in regions are not even aware of the bids advertised. Hence, in some bids, it is found that, all bidders come from Dar es Salaam. This is not proper since procurement laws and regulations in place make emphasis on equality and equal participation in the procurement competition conducted by procuring entities. This may likely bring unfairness and a chance of corruption is high. It was indeed observed that, since major value procurements are conducted only at headquarters, this system of centralized procurement has brought a challenge of some successful bidders to be uncontrollable, especially during implementation of procurement contracts at regional stations levels. With all above mentioned challenges in mind, it is, therefore, recommended that, there is a high need of changing current centralized system and shift to decentralized system as it was once. This is because within few days of introducing what it is called by some TAA officials “Transitional Centralized System”, effective implementation and compliance of procurement laws and regulations are questionable. This has also brought worries if accountability and transparency principles are implemented and complied with by TAA, in accordance with directives of the procurement laws and regulations in place, and likely a chance of achieving value for money can be minimal. It is generally evident that, from observations made, a decision of introducing centralized procurement system was not professionally decided and done considering indicators required as pointed out by some eminent procurement specialists, and it was rather introduced for reasons best known by only TAA officials, which are not clearly known by many. The most important thing than all, however, which should be taken into consideration while choosing preferable and the best procurement system to use, it is important to remember that, there are a number of factors that must be taken into account, though arguably, it is very hard to ascertain *a priori* which is the best procurement system to rely on. It is indeed stated that, whatever choice of which procurement system to use, it absolutely left to the discretion of the procuring entity concerned, considering procurement goals each needs to be achieved.

#### 4.0 Conclusion

Like in other procuring entities, it has been generally observed that, TAA uses procurement methods and procedures as used by others, with few minor differences considering nature and activities for which procurements are conducted. This is allowed provided that, such ways of conducting procurement proceedings in a different way does not contravene or is not in violation of any procurement laws and regulations in place. It was observed that, TAA mainly uses acceptable guidelines as approved by relevant authorities such as PPRA. The only challenging issue mainly observed regarding procurement procedures as entirely practiced by TAA, is TAA relying on centralized system of procurement. This was officially started as from March 2018, the procurement which seems to be unfair to the institution itself and maintaining value for money (VfM) objective. As it is recalled, above centralized system of procurement from experienced in other Regional Airports visited during field work, some respondents viewed it as chaotic, bureaucratic and its disadvantages outweigh the advantages. It seems that, centralized procurement system was introduced at TAA without further research, and it was merely incorporated to the system considering earlier procurement system history. In short, a decision to introduce centralized system at TAA, according to opinion of some respondents, was politically motivated, than looking a reality. In some regional airports the authors visited during field research, where micro and minor procurements are only conducted empowered by TAA central system, it has been difficulty and challenging thing even managing procurement contracts awarded by TAA Headquarters in Dar es Salaam. It has been observed that, sometimes regional airports may be in need of some facilities in their respective places, but since they have no a mandate to make procurement procedures beyond of micro and minor procurements and hence, they are required to wait until procurement procedures are completed by TAA Headquarters, which in most cases, take a lot of time and energy until facilities are procured to the regional airports. This has discouraged efficiency for delivery of services in these places, leave alone implementation and compliance to accountability and transparency principles in the procurement system at TAA. In some point, it was advised that, the authority concerned at TAA to reconsider their decision and bring back decentralized system of procurement, which seems to be motivating system to many procurement practitioners. To sum up, procurement system at TAA generally is not promising and it is doubtful in view of implementation and compliance to accountability, transparency in procurement principles and thus is in urgent need for reform in Tanzania Mainland.

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