

# Horizontal Collaborative Purchasing In The Ugandan Public Sector; An Exploratory Study

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*This paper presents exploratory findings on the horizontal collaborative purchasing in the Ugandan public sector. After finding out that there is no published literature in this area of study in Uganda, the researcher decided to carry out this study to get a better understanding of how horizontal collaborative purchasing is done, as a basis for subsequent studies. The most interesting findings of the study are that horizontal collaborative purchasing in Uganda has been more practiced in circumstances of urgency than in normal circumstances. It also found out that where structural arrangements of horizontal collaborative purchasing existed, the "collaboration inertia" tended to roll it over to other aspects that were not part of such arrangements. Because of the surprising results, the study recommends that where less or no knowledge is published, such studies should be undertaken, like in this area of study, so that issues about collaboration in purchasing are not taken for granted, and subsequently mistakes done by practitioners and or the academia.*

Field of research: Supply Chain Management, Horizontal collaborative purchasing

## 1. Introduction

According to Schotanus (2007), horizontal collaborative purchasing is the operational, tactical, and or strategic cooperation between two or more organisations in one or more steps of the purchasing process by pooling and or sharing their purchasing volumes, information, and or resources in order to create symbiosis. Horizontal collaborative purchasing involves; information sharing or economies of information, decision synchronisation or economies of process and incentive alignment (Simatupang and Sridharan, 2004; Ryan and Walsh, 2004; Rozemeijer, 2000). The benefits of collaboration have been well documented in literature; including accurate information, lowered procurement costs, improved asset and capacity utilization, elimination of barriers caused by distance and time, efficient use of scarce human resources in purchasing, increased reliability, and increased ownership of operational policies. Besides, sometimes the ever changing business context (like internationalization, developments in information and communication technology, government regulation and increased public attention to the way business is done) makes horizontal collaborative purchasing the right option. However, horizontal collaborative purchasing has sometimes failed to achieve the above benefits. One of the reasons could be that not all circumstances are

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right for such a strategy. Some of the reasons in this regard include; costly asset co specialization which increases opportunism by the partners (Williamson, 1985); a firm foregoes the chance to build economies of scale and achieve low cost position (Dyer, 1996); collaboration leads to dependence of knowledge, therefore reducing capacity for own future challenges (Fine and Whitney, 1996); it may also be risky relying on the other party during a turbulent environment (Singh and Mitchell 1996) and the dependent partner may look for the alternative sources of supply, willing to defect as soon as a window of opportunity opens up. According to the Ugandan Public Procurement and Disposal of Assets Act of 2003 (PPDA Act, 2003), public procurement entities, have a duty to ensure, promote and regulate the best standards of practice and conduct; in public procurement and disposal of public assets so as to achieve fairness, transparency, accountability and value for money in the use of public resources. Therefore any available purchasing strategy that would enable them achieve these targets would be welcome. Indeed if the public sector entities are to realise such targets, and if the above benefits can be achieved, then developing countries and Africa in particular are qualified to be the home of horizontal collaborative purchasing.

## 2. Literature Review

### 2.1 Growing Importance Of The Purchasing Function

Considering the portion of spend which purchasing takes in organisations; for example 60% to 90 % for business organisations (Telgen and Boer, 1997), and almost 60% in government organisations (Harink et al., 1999); the purchasing function is no longer operational but strategic. The table below indicates various scholars and their contribution about the strategic importance of the purchasing function:

Author(s)	Contribution
Ferguson,, et al., (1996)	Owing to the increasing role of the purchasing function, decision making committees and buying centres should be established.
Chen et al., (2004)	Purchasing has increasingly assumed a pivotal strategic role in supply chain management.
Van Weele, (1997); Lindgreen and Wynstra, (2005). Stekelenborg, (1997); Lonsdale and Cox, (1997)	Purchasing is a factor of strategic importance for an organization, rather than a merely administrative and operational activity.
Carbone, (2001); Carr and Pearson, (1999); Zeller and	Evidence of organisations that have benefited from strategic purchasing including Dun and Bradstreet, Ford Motors, Honda of America, and Siemens

Gillis, (1995);	Medical Systems; calls for purchasing to be promoted from a third tier function to one that has direct input in the organisations' strategic plans.
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From the above summary, it is noted that even when studies have extensively published purchasing as an important function in organisations, there is need to have a clear strategy to sustain its benefits. The study notes several purchasing strategies, among others; collaborative (sometimes called cooperative) purchasing, purchasing sourcing, risk assessment, stakeholder management, and supplier development. Out of these, it considers collaborative purchasing because it has so far been loosely defined in literature (Schotanus, 2007) and the terminology is broad and not yet fully stabilised (Eßig, 2000; Kivisto et al., 2003).

## 2.2 Horizontal Collaborative Purchasing

The summary below gives some scholarly contributions regarding the subject

Author(s)	Contribution
Fanning (2007)	Government increases the value for money it obtains from the tax payers' money when it procures its goods and services collaboratively.
Webster and Wind (1972)	Organisational buying is a complex rather than a single act, it involves interaction It therefore involves a lot of communication, coordination, and control amongst the participants in the buying process
Buckles and Ronchetto, (1996)	Organisational buying involves several processes and activities that may necessitate interactions between purchasing agents in open social action system
Macdonald, (1995); Fine and Whitney, (1996); Singh and Mitchell, (1996)	Although some studies have portrayed collaboration negatively, it is generally appreciated to largely reduce the negative aspects, especially if social aspects of collaboration exist.
Chisholm (1998)	Collaboration, involves a set of autonomous organizations that come together to reach goals that none of them can reach separately.
Castells (1996)	Inside the collaboration, new possibilities are relentlessly created, while outside the collaboration, survival is increasingly difficult.
Spekman et al., (1996)	In a well functioning collaborative relationship, the boundary between the involved firms becomes blurred so that it is hard to discern where one firm

	<p>begins and the other ends.</p> <p>The developed collaborative norms like role integrity, solidarity, flexibility and information sharing; become an integral part of operations, which make the parties aim at similar goals.</p>
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The main points to make from the above summary are twofold; to cope with today's increasing complexity; organisations have, and should, become more collaborative (Burgess et al., 1997) and the behavioural aspects do "soften" the possible would be setbacks of the collaboration, to make it sustainable and be perceived as worth.

### 2.3 Horizontal Collaborative Purchasing In Uganda

The literature reviewed indicates that research on horizontal collaborative purchasing has relatively been done more in the developed world, than the developing world. The research therefore considers the developing countries and Uganda in particular. The following scholars support this reasoning.

Author(s)	Contribution
Sommer et al., (1996)	The time to test behavioural constructs in non-western countries and make cross cultural comparison had come.
Gemunden (1997)	Most research on Industrial Marketing and Purchasing (IMP) has been theoretical and focused on relationships -and networks-based frameworks. Yet, it mostly ignored international or cross-cultural dimensions.
Easton et al., (2002)	Taxonomy of IMP papers concentrated on traditional concepts of IMP research, such as relationship characteristics, actors-activities-resources models, and internationalization and identified relatively few cross-cultural contributions.
Samiee and Walters (2003)	Stressed: "[it is] striking that cultural factors are not taken more explicitly into account in most of the IRM studies reviewed". Moreover, "in an international context, cultural diversity is a fact of life that can be expected to have important implications for the development and maintenance of relationships".
Meyer (1997)	Models should be made relevant to African situations.
Rawwas et al., (1997)	Whereas it is clear that behavioral studies have had a rich research base, they are based on western (notably American) research.
Gronroos, (1994) Palmer, (2000)	Collaborative relationships are conditioned by unique cultural contexts and by the cultural contexts where they take place.
Atkinson and	The conceptual equivalence of behavioral aspects in developing

Butcher, (2003)	countries is likely to be different from developed countries. These constructs are socially constructed. Their meanings are situational constructed by actors in the context of relationship. People attach meanings and interpretations from the domain of knowledge they have, not what they have never known, thus the phrase “if all you have is a hammer, then everything you see looks like a nail”.
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From the above motivation, this research further notices that there are few research articles on the subject in Uganda. Even those research articles simply refer to Uganda, on general collaboration issues and not in detail. Examples are in the table below:

Author(s)	Area of collaboration considered
Magara and Nyumba , (2004); Kinengyere, (2007); Magara, (2002)	Library
Passerini, (2006)	Medical collaboration
Sarrocco, (2006)	Information and communication technology
Blankson, et al., (2005)	Small businesses

A case study of Uganda is therefore considered, since the issues in the Ugandan context may not be the same as those from where the research was done from. According to Mitiku and Wallace (1999) and Muhwezi (2007), while a region such as Eastern Africa can choose from the best management knowledge the world offers, care is needed in adapting new ideas to local conditions. They also warn that cultural or otherwise, the disparity between African reality and the application of imported theories remain large. Considering the above argument, and considering the fact that less relevant knowledge was available, the exploratory design, was found necessary.

### Objectives Of The Study

In the study main research objective was to know the state of horizontal collaborative purchasing in the Procuring and Disposing Entities (PDEs) in Uganda, in order to lay foundation for subsequent scholarly work. To realise this objective, the following specific research questions were used.

<p><i>Is there collaboration in various government ministries/universities in Uganda?</i>  <i>Is there horizontal collaborative purchasing in Ugandan ministries/public universities?</i>  <i>What priority is attached to purchasing collaboration in ministries/public universities?</i>  <i>Is there interest by ministries/public universities to collaborate?</i>  <i>What are the various activities/processes of purchasing collaboration in Uganda ministries/universities?</i>  <i>What commodities/services/works are suitable for collaboration in Uganda?</i>  <i>What commodities/services/works are unsuitable for collaboration in Uganda?</i></p>
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*Whom do you collaborate with?*  
*What has been duration of collaboration?*  
*What forms of horizontal collaborative purchasing exist in Uganda?*  
*What are the initial factors for horizontal collaborative purchasing in Uganda?*  
*Is horizontal collaborative purchasing appreciated in Uganda PDEs?*  
*What is the future of horizontal collaborative purchasing in Uganda?*

### **3. Methodology**

#### **3.1 Introduction**

The study aimed at getting data representing the PDEs in Uganda in the central government category, since the local government law had not come into force.

#### **3.2 Population And Sample Of Study**

The population of PDEs in central government at the time of study is shown in the table below:

<i>Commission</i>	<i>14</i>
<i>Hospital</i>	<i>12</i>
<i>Ministry</i>	<i>21</i>
<i>Parastatal</i>	<i>64</i>

It was designed as a case study, since the goal of investigation was “to understand” (Grunbaum, 2007). The study used a two case study design, by considering ministries and universities. Such a design enhances comparison and validity of findings (Yin, 2003). The cross sectional design was chosen, to give snapshot insights on horizontal collaborative purchasing in Uganda. The descriptive approach was regarded more relevant in reporting the exploratory findings. 21 ministries were considered, though data was collected from 16 of them. The other 5 ministries were deliberately left out because they do not easily release information, for security reasons. For public universities, we collected data from 2; Makerere University Business School (MUBS) and Kyambogo University (KYU). Out of convenience, the remaining 2 universities were left out because they are located outside the city centre, and far apart from each other, a factor that could physically impact on collaboration. The two universities considered are undertaking a joint Netherlands Programme for Institutional Strengthening Post Secondary Education and Training Capacity (NPT) procurement project together with the Northern Consortium counterparts, University of Twente and Maastricht School of Management; in The Netherlands. The two universities were suitable because in addition to being located near each other, they had an already established structure for a collaborative purchasing system, to execute the NPT Project operations.

### **3.3 Data Collection Instrument**

A self administered questionnaire was used, because it would allow face to face interaction and the researcher had chance to discuss with the respondents some of the unclear questions, and get supplementary explanations to further improve understanding of horizontal collaborative purchasing in Uganda. Appointments were made with the respondents to make sure that respondents allocated specific time to fill the questionnaire. These strategies improved our response rate, especially from the busy procurement staff, to 76%. In addition to the questionnaire, the researcher carried out interviews with some staff to have a deep understanding of some of the issues. These interviews were recorded, and then edited to “tell a story”, Pope et al., (2000). The results of the interviews were used as corroborative evidence to support the questionnaire method; to converge on a single point of truth (Denscombe, 2000:86).

### **3.4 Respondents**

The study considered all the staff in the respective PDEs who, according to the PPDA Act (2003) are directly responsible for procurement activities. These were employees in the Procurement and Disposal Units (PDUs), members of contract committees and accounting officers. The accounting officers are members of top management while contract committees members and PDU employees are middle level officers in the PDEs. All respondents considered had worked with PDEs for over a year, with 80% of them having started before the PPDA Act 2003 legislation. They had enough knowledge to comment of the issues under consideration.

### **3.5 Data analysis**

After collection of data, data was summarized, edited and logically analysed. The descriptive methods were used to report findings.

## **4. Presentation Of Findings, Interpretations Analysis And Discussion**

This section contains the presentation, interpretation and discussion of findings. This is done according to each respective research question.

#### 4.1 Is There Collaboration In Various Government Departments?

All the responses from the 16 ministries clearly answered ‘yes’, meaning in general terms, there is horizontal collaboration between ministries. This collaboration is mainly in terms of:

- *Preparation of policy and regulation*
- *Sectoral planning and budgeting.*
- *Running joint programmes*
- *Service support like security*
- *Transport (ministries helped ministry of Justice and Constitutional affairs during elections)*
- *Office space*
- *Making strategic plans*
- *Joint projects like CHOGM collaboration committees in concerned government departments*

This is an indication that collaboration is not entirely new; it already exists. Though collaboration in various activities especially those that do not involve monetary transactions may be easier to start and sustain compared to horizontal collaborative purchasing, the researcher believes that it can be enhanced in the area of purchasing too, since the practice is not entirely new. However, it is noted that most collaborative aspects in government departments are as a result of urgency. Example is the Commonwealth Heads of Government and Ministers joint committees which had to be established urgently to meet deadlines. There is the impression that the collaboration may not be fully voluntary. This “time dependence” factor to collaboration was also suggested by Hammarkvist et al., (1982).

#### 4.2 Is There Horizontal Collaborative Purchasing In Ugandan Pdes?

Of the considered Ministry PDEs, about 69% agreed that there is horizontal collaborative purchasing. 31% of the cases indicated lack of horizontal collaborative purchasing. On the other hand, both University PDEs considered indicated there is horizontal collaborative purchasing between them. Some insights in the activities where horizontal collaborative purchasing takes place were noted, as summarized in the table below:

Ministry PDEs (No deliberate effort to collaborate)	University PDEs (with deliberate effort to collaborate)
Capacity building like training procurement cadres and conferences	Joint contracts committee

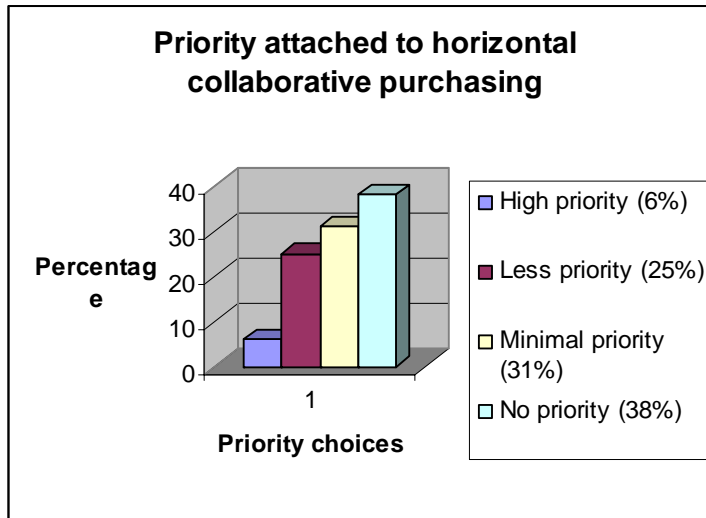
Drawing specifications together especially for services, supplies and works that are too specialized and such expertise lacks in a particular ministry	Joint tendering
Using similar shortlists of prequalified suppliers, especially if one ministry can not prequalify or needs a product urgently or does not have a qualifying supplier in that particular supply	Using shortlists of another university in case no supplier is short listed
Services/works providers suitability information	Drawing joint specifications
Using standard bidding documents	Bid evaluation
Price comparisons	Supplier selection
Other operating and challenging procurement aspects like procurement of services and equipment for the newly discovered oil reserves.	Award of contracts
	Sharing experience on procurement work

From above, it is noted that for Ministry PDEs (where no deliberate effort to collaborate have been undertaken) collaboration activities are in the initial stages of the procurement cycle. There is less horizontal collaborative purchasing in the final stages of the cycle. On the other hand, for University PDEs (with deliberate effort to collaborate under the NPT project), horizontal collaborative purchasing is in all stages of the procurement cycle. This collaboration is as a result of the NPT project, with terms among others, requiring a joint purchasing system of the NPT related items and a joint purchasing structure in place. The study notes that even in the University PDEs, for purchases outside the NPT project, the collaboration reverts back to be like the ministry PDEs, only that there is more information shared and networks from the NPT collaboration systems. This “inertia” keeps the collaboration aspects on.

However, though ministry PDEs do not collaborate in all activities, collaboration is in the initial stages of the procurement cycle, especially the needs specification stage, which makes participating PDEs realize benefits of collaboration as most of the decisions that leverage and optimize the benefits of purchasing are at this stage. The rest of processes done individually do not leverage benefits optimally to the PDEs. The study therefore concludes that even if deliberate efforts are not undertaken to have horizontal collaborative purchasing, the voluntary nature of such entities can still make them gain benefits of collaboration. This is in agreement with literature, which suggests that trust flourishes most under voluntary collaboration.

### 4.3 Priority Attached To Purchasing Collaboration In Ministries/Public Universities.

Of the ministry PDEs that responded, 25% said the priority given is less than what is given to purchasing individually, 38% that it is not given priority, 31% that it is minimal and 6% said it is high priority. This is shown below:



The 6% high priority score is relatively low. This could be attributed to the fact that the procurement officers in these ministries are not in decision making positions. The middle (sometimes low) level procurement related officers in the organizational hierarchy do not attend top strategic meetings that prioritize activities in their respective ministries. Those who attend may not be aware of or appreciate the importance of procurement strategies. So it is more difficult to give priority to procurement activities. It is noted, however, that those ministry PDEs which said priority for collaboration is high, are not among the big 5 PDES. This insight could be attached to the "self sustaining" nature of these PDEs in terms of financial, human and technical resources. On the other hand, both university PDEs said the collaboration is given high priority. However, they also said that this is because of the required conditions on the NPT project. The research also found that because of the presence of a structure of collaboration between these universities, there is collaboration in even other commodities and services of individual universities not connected to the NPT project. Although it seemed obvious that PDEs where structures and guidelines about horizontal collaborative purchasing have been put in place would agree that they attach high priority, it was noted that once such structures and guidelines are put in place, like the case of NPT, PDEs will eventually realize the need to collaborate even in other areas not required by the working guidelines. The researcher concluded that having structures and guidelines on how horizontal collaborative purchasing should work is "an eye opener" to the benefits of collaboration. This is in agreement with the social construction theory (Liebrucks, 2001) which suggests that the domain of knowledge you have, determines the perception (and therefore priority) you attach to an activity.

#### **4.4 Interest By Ministries/Public Universities To Collaborate**

14 out of 16 ministries (87.5%) expressed interest in purchasing collaboration. Even those that do not have a clear system of collaboration acknowledge the need to collaborate.

The reasons given for a need to collaborate are:

- *Reducing financial costs.*
- *Better prices because of bargaining power.*
- *Sharing information*
- *To avoid repeated tasks which are costly to optimize because of the lack of synergy*
- *Get access to skilled personnel which are still a problem in Uganda.*
- *Improve service delivery.*
- *Standardize purchasing activities and*
- *To prevent that ministries purchase same items, from same source, at similar times but at very different prices.*

Both University PDEs expressed interest to further collaborate, in areas that are not covered by the NPT project. Apart from a more specific reason (to implement NPT guidelines), university PDEs gave similar reasons for collaboration as the Ministry PDEs. The study therefore concludes that the reasons and perceived benefits of horizontal collaborative purchasing are similar, irrespective of the nature and type of organization.

#### **4.5 Various Activities/Processes Of Purchasing Collaboration In Uganda Pdes**

The PDEs which indicated practicing of horizontal collaborative purchasing said it is in the following activities:

- *Prequalification.*
- *Drawing specifications together.*
- *Scope of works.*
- *Terms of reference.*
- *Contract management.*
- *Appraisal.*
- *Preparation of standard bid documents.*
- *Using the same supplier list (which was jointly compiled by the PPDA).*
- *Initiating framework contracts.*
- *Supplier development.*
- *Evaluation of bids.*

The researcher noted that these activities are mainly in the initial stages of the purchasing process. It is also noted that horizontal collaborative purchasing exists where there is technical competence required. For example specifications for works and heavy machinery may not be easily originated from Ministry of Education and Sports. Equally argued, not any ministry can formulate a framework contract like Ministry of Justice and Constitutional affairs. The study therefore concludes that technical competences play a big role in sustaining horizontal collaborative purchasing. The activities in the procurement cycle (according to the PPDA cycle) where horizontal purchasing

collaboration does not exist include confirmation of funds, approval of procurement method, approval of bid documents, award of contract and signing and communicating contract. It is noted that these are activities that demand accountability from individual PDEs, since each operates a separate budget. The study therefore concludes that accountability requirements in Uganda may hinder the horizontal collaborative purchasing initiatives.

#### 4.6 Commodities/Services That Are Suitable Compared To Those That Are Unsuitable For Collaboration In Uganda

These are presented in the table below:

Suitable for horizontal collaborative purchasing	Unsuitable for horizontal collaborative purchasing
<ul style="list-style-type: none"> <li>• <i>Common user items like stationery.</i></li> <li>• <i>Fuel.</i></li> <li>• <i>Office equipment (like computers), communication equipment, and furniture.</i></li> <li>• <i>Strategic goods that involve a lot of spend but are common to all PDEs.</i></li> <li>• <i>Capital buying; which are similar e.g. heavy machinery and motor vehicles.</i></li> <li>• <i>Internet services like the joint academic and professional websites(for university PDEs)</i></li> <li>• <i>Cleaning services.</i></li> <li>• <i>Security.</i></li> <li>• <i>Repair services and</i></li> <li>• <i>Insurance services.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Chemicals; which are specific to various ministries.</i></li> <li>• <i>Classified products like fire arms and other weapons.</i></li> <li>• <i>Non common user items that are used once in a while.</i></li> <li>• <i>Consultancy services.</i></li> <li>• <i>Heterogeneous services.</i></li> <li>• <i>Core services to the ministry such as national election process.</i></li> <li>• <i>Services that do not cut across ministries like expertise on treatment of Ebola disease.</i></li> <li>• <i>teaching materials that are specific to certain unique programmes(university PDEs)</i></li> <li>• <i>specialized computer software like finance and academic records software.</i></li> <li>• <i>specific research(university PDEs).</i></li> </ul>

Reasons for commodities/services suitability of horizontal collaborative purchasing can be derived.

- They are in most cases similar and some cases exactly the same. For example all PDEs use the same filing cabinets.
- They can all be sourced from the same supplier(s). For example suppliers like NCR, Kazinga Channel and Prime Impex are prequalified in all PDEs in Uganda.
- It can be noted that apart from international suppliers; who find it costly to supply due to low volumes of spend, there are relatively few local suppliers in Uganda with the quality and other qualifying dimensions. Therefore the few create an oligopoly (and at worst a monopoly) situation, to the extent that they are common to all the PDEs. Thus it is relatively easier for the PDEs to collaborate in purchasing from the suppliers they have always dealt with.

Reasons for commodities/services unsuitability of horizontal collaborative purchasing can also be derived.

- National security reasons, like the commodities/services in the security related PDEs
- Specificity and uniqueness makes them unsuitable, because some PDEs may not require such, in the next foreseeable future. E.g. Ministry of Local Government may never require military consultancy services.
- Some of them do not have chances of repeated use.

From the above analysis, it is concluded that careful analysis of the commodities/services involved in PDEs can influence the formation and sustainability of horizontal collaborative purchasing. To the best of the researcher's knowledge, though various factors that can influence establishment and sustainability of collaboration have been published, there is no one that links the nature of commodity/service to collaboration. It is thus suggested that commodity/service analysis is crucial in the arrangements for horizontal collaborative purchasing.

#### **4.7 Whom Do You Collaborate With?**

All ministry PDEs decide who to collaborate with in as far as there is a specific need to collaborate. This is usually because of the specific skills and talents of personnel. Whereas it is inevitable for some PDEs like Ministry of Energy and Minerals to collaborate with Ministry of Lands and Environment and Ministry of Works (because they are the line ministries and experts in environmental and mining affairs) in the exploration of oil, or all PDEs referring to the Ministry of Justice for contracting processes, others simply solicit for expertise from other PDEs without any followed guidelines. There is no clear model of how a certain PDE comes to collaborate with another PDE, and not the other. Whereas there is no clear model of how a certain ministry comes to collaborate with another ministry, and not the other, the universities studied have a structure and mechanism of collaboration. The NPT warranted such. The circumstances necessitated this. This is as the states theory suggests. The states theory is based on the concept that the conditions prevailing at a point in time, determine the next course of action. The strategic moves of exchange actors like horizontal collaborative purchasing occur in unstructured and predictable manner at any point in time (Forand Rosson, 1982; Ford et al., 1996).

#### **4.8 Duration Of Collaboration**

Before the introduction of the PPDA procurement reforms in 2003, there was centralization of purchasing for all supplies/services/works above 1,000,000 Ushs. This means all government departments would refer purchasing decisions to the Central Tender Board (CTB). Therefore horizontal collaborative purchasing; as we define it, was not an issue. The study therefore notes that the ministry PDEs indicate starting the horizontal

collaborative purchasing in 2003, when the PPDA act came into force. The study therefore concludes that centralized structures challenge the individual “perceived independent parties” to collaborate since they can not manage alone, due to among others, resource limitations. Likewise, both university PDEs indicated starting the collaboration in 2004, at the time the NPT project started. Despite starting a year later than the ministry PDEs, university PDEs have collaborated more. Therefore by analyzing ministry and university PDEs in terms of duration of collaboration, the study concludes that structural organization can accelerate the rate of formation and involvement of horizontal collaborative purchasing.

#### 4.9 Forms Of Horizontal Purchasing Collaboration In Uganda

The study aimed at answering how collaboration is done. There are not yet any fully developed structures of operation. However, the PDE with a need to collaborate contacts the one(s) it feels it should work with. It is mainly out of the contingent conditions, which states that the conditions prevailing at a point in time, determine the next course of action (Batonda and Perry, 2003). Information is shared at the same level, but from the technical and more knowledgeable ministry/university, there is no influence by one over the other, since all such ministries/university are (is) relatively at the same level, in terms of authority, needs and resources.

The study compared the Ugandan situation with the published knowledge on the highway matrix. Schotanus and Telgen (2007) published the highway matrix typology in the Journal of Purchasing and Supply Management. A lot of useful insights apply to this study. Therefore this study analyses the Ugandan horizontal collaborative purchasing with a view to allocating the various forms on this typology. However, it is noted that the various terms used do not match with the meanings Ugandans may attach to them. For example, the transport sector in Uganda is not developed and organised, therefore the analogy of highway may not be reflective of the message the words are meant to carry. The terminologies in the highway matrix are therefore simply described in English.

According to Schotanus and Telgen, (2007), there are two dimensions that distinguish the forms of purchasing; coordination by hierarchy and coordination by market (Arnold, 1996b; Galaskiewicz, 1985; Jones and Hill, 1988; Thompson et al., 1991). The study notes that coordination is mainly by market (same purchasing need for a common commodity) and less by the hierarchy dimension since all the PDEs are at the same position and with similar mandate. There is no noticeable and official control by any of them. Intensiveness is not yet realised, as PDEs are not compelled to perform an active role in the collaboration. Therefore the activities lean more to market than hierarchy. According to the dimension of “number of different group activities” in Uganda, it is low, and is not continuous. Fewer activities in the PPDA procurement cycle (refer to the table below) are carried out jointly.

<i>Activities of the Ugandan procurement cycle</i>	<i>Existence of purchasing collaboration</i>
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Requisition	No
Confirmation of funds	No
Approval of procurement method	No
Prepare bid documents	Yes
Approve bid documents	No
Invitation for bids	Yes
Opening of bids	Yes
Evaluation of bids	Yes
Approve evaluation reports	No
Award contract	No
Sign and communicate contract	No
Manage/monitor contract	Yes
Evaluate the procurement	Yes

About six out of thirteen activities are done jointly. PDEs do not have hard rules for the collaboration operations; there are no official meeting schedules and structures. From the above analysis therefore, horizontal collaborative purchasing relationships are “piggy-backing” type. They are “parasitic” on others. They are able to network with those they know will help them in activities where they do not have competences. For example all PDEs refer to Ministry of Justice and Constitutional Affairs for drafting of contracts; most PDEs refer to Ministry of Education and Sports because there is an officer who is knowledgeable in most procurement cycle activities. This is parasitic because the PDEs perceived as more able have developed these competencies on their own. In horizontal collaborative purchasing, the study found out that it may not be easy for one PDE to have more influence than others. It therefore concludes that PDEs relationships can, easily grow towards the direction of third party group or “bus service” than through the direction of project group or “convoy”. This is because it can attain the “bus service” direction by increasing on the number of purchasing activities. This may be more suitable for non-product related goods and services (Schotanus and Telgen, 2007) which take a considerable share in the public sector.

#### 4.10 Initial Factors For Horizontal Purchasing Collaboration

Literature was reviewed to identify the factors that are necessary for a successful horizontal collaboration as shown in the table below. Trust, commitment, dependence and reciprocity were identified to largely represent the behavioural aspects. According to Boddy et al., (2000) and Lambert et al., (1998), it is the behavioural dimensions, rather than economic, legal or technical dimensions, which are less understood and experience more problems in collaboration. Through the study, however, other factors were identified. These factors were also found to be deeply acknowledged by literature. The factors and the supporting literature sources are summarised in the table below.

Factor	Reference
Trust	Swan and Trawick (1987); Butler, (1991); Harrison et al., (1997); Lee and Billington, (1992); McAllister, (1995).

Commitment	Gilliland and Bello (2002); Brown et al. (1995); Zineldin and Jonsson, (2000); Allen and Meyer, (1999)
Dependence	Hammarkvist et al. (1982); Buchanan, (1992); Emerson, (1962); Sutherland, (1989)
Reciprocity	Dries, (2003); Anderson and Narus, (1990); Stern and Reeve, (1980)
Organisational culture	Hofstede, (2001); Hofstede, (1997)
Internal support	Vandermerwe and Gilbert, (1991); Stamm, (2004)
Collaboration structure	Burns and Stalker, (1961); Parker, (2000); Lawrence and Lorsch, (1969)
Communication	Anderson and Narus, (1990)
Size	Rachid and Mayo, (1994); Yarnell and Peterson, (1993)
Governance	Luis, (2001); Todeva, (2005); Mark, (2000); Kibirango, (1999)
Sharing mechanism	Schotanus et al., (2007); Hamel et al., (1989); Devlin and Bleakley, (1988)

From the study, evidence to support the importance of behavioural factors to in horizontal collaborative purchasing was got. One respond said:  
*“All of us clearly know and appreciate the need to work together. The problem is that we do not trust and believe in the others, even when we would be interested in having joint actions”*

#### **4.11 Appreciation Of Purchasing Collaboration In Uganda Ministries/Universities**

Out of the ministry PDEs, 38% said purchasing collaboration is not appreciated, that is; members do not freely welcome them; in Uganda, while 62% said it is appreciated.

Those who said it is not appreciated gave the following reasons:

- *Stakeholders are not yet sensitised.*
- *Most ministries still do not respect the profession of procurement.*
- *There is selfishness by individual ministries at the expense of national goals.*
- *It is not practiced, so it is not known.*
- *Lack of adequate knowledge on collaboration.*
- *Ownership tendencies by individual ministries.*
- *Peoples' minds are still on decentralisation and see this as a new idea.*
- *There is no trust and commitment.*
- *Bad experiences had with previous business relationships.*

The 38% score on non appreciation matches with the 38% score on the PDEs which indicated they have no priority for horizontal collaborative purchasing. This could be concluded that the reason why PDEs do not appreciate horizontal collaborative purchasing is because no priority is given to it. Since a conclusion that one possible reason why there is no priority given to horizontal collaborative purchasing is because procurement related staff are not yet in top levels of the management hierarchy in the PDEs, the study also concludes that once there are more qualified and experienced staff in procurement, and therefore in top levels of the hierarchy, “able to sit in the boardrooms” and have a “helicopter view” and direction of the whole PDE, horizontal collaborative purchasing will be prioritised and appreciated. Both university

PDEs gave the following reasons for appreciating horizontal collaborative purchasing:

- *Increasing more bargaining power, like the textbooks and computers that have been internationally and relatively cheaply purchased.*
- *Savings.*
- *More knowledge.*
- *More supplier information.*

The study noted that the sampled universities had had structures and time to get exposed to the benefits of collaboration. Their experiences were fresh in their minds. Most of the ministries which said collaboration is appreciated are the big ones like Health and Energy and Mineral Development. Also the technical ministries like Finance Planning and Economic Development and Justice and Constitutional Affairs also said it is appreciated. These have had more exposure to collaborative purchasing than the rest. The technical/service ministries for example are meant to be informed of what happens in all the other ministries, which makes them, collaborate with others in their day to day activities. This may be the reason why they tend to evaluate horizontal purchasing collaboration positively than the other ministries. The study concludes from this analysis therefore that more exposure opportunities can encourage horizontal collaborative purchasing.

#### **4.12 The Future Of Purchasing Collaboration In Uganda**

87% and 100% of ministry PDEs and university PDEs respectively said the future of horizontal collaborative purchasing in Uganda is bright. The following reasons were mentioned:

- *Horizontal collaborative purchasing will help government to create value for money, in several situations.*
- *Other policies have always worked out as long as there is government support.*
- *PPDA is already slowly using the same principles like same supplier lists.*
- *If management could get more committed, collaborative purchasing would optimise benefits therefrom.*

Those that thought it has no future said that people always resist change, poor trust and commitment levels, and that it would cause more bureaucracy. The study noted that the percentage of those being hopeful for a bright horizontal collaborative purchasing system is higher than that of those who appreciate it. This means that even some of the PDEs that do not appreciate horizontal collaborative purchasing, hope its future will be bright. It is therefore suggested that sensitisation and more exposure to horizontal collaborative purchasing situations be a deliberate strategy by government to start or enhance horizontal collaborative purchasing in Uganda.

## **5. Conclusion**

In this chapter, the aim was to better understand the current state of horizontal collaborative purchasing in Uganda, so as to lay a foundation for subsequent research. In this exploratory study, it was found out that there exists horizontal collaborative purchasing. However, it was noted that in some cases, problems like lack of prioritisation and appreciation, no clear forms of purchasing collaboration among others, limited the would be benefits of horizontal collaborative purchasing. The study also found out that whereas in most cases horizontal collaborative purchasing is the right choice, there are cases when it is not. Some of the findings in this exploratory study were surprising. This is an indication that such studies should be undertaken, so that issues about collaboration in purchasing are not taken for granted, and subsequently mistakes done by practitioners and or the academia.

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