

C0LLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

AN ASSESSMENT ON THE EVALUATION OF PURCHASING PRACTICE AT BANK OF ABYSSINIA

PREPARED BY MERON REDIE

ID 355/10

ADVISOR MR. ENDALK FILFIL

A Research Submitted to the department of Management in Partial fulfillment of the requirements for the award of Degree of Bachelor of Art in Management (BA)

OCTOBER, 2020

Addis Ababa, Ethiopia

ABSTRACT

The objective of this research is to critically evaluate the purchasing practice at Bank of Abyssinia. Procurement is a means by which an organization acquire good and services in a scientific manner. This study focused on the evaluation of procurement process at Bank of Abyssinia (BOA).

The purpose of the study was to assess the performance of procurement department, the satisfaction of the user department, the challenges faced by the procurement department and the adverse effect of the perception towards the department.

It was conducted in a bid to find viable solution for the prevailing inefficient and delayed purchasing practices. To this end, the researcher have gathered data from primary sources using questionnaires, interview and personal observation and referred secondary sources including purchasing manuals and various documents related to purchasing in BOA. SPSS software was applied to present and analyze the data gathered from 60 respondents.

The major findings of the study indicate that the department work flow is too long and the department is not fully authorized to make decision in every procurement step and method. Based on the findings the researcher recommended the purchasing function should be improved utilizing systematic way of handling purchases and providing managerial proper attention and follow up for the unit.

ACKNOWLEDGMENTS

The completion of this research would not have been possible without the cooperation, trust and support provided by a significant number of people that I wish to recognize. First I am permanently indebted to my, ADVISOR MR. ENDALK FILFIL, who guided me.

I would also like to thank all of the individuals that responded to my questioners,

My deepest thankfulness is also to BOA Procurement Specification and Inspection Manager Ato Mulugeta Assefa and to all who forwarded their hand to me.

Table of Contents

CHAPTER ONE 3
1.1 Introduction 3
1.2 Background of the Study 3
1.1 Statement of the Problem 4
1.4. Objective of the Study 6
1.4.1. General objective 6
1.4.2. Specific objective 6
1.4.3. Research questions 6
1.5. Significance of the Study 7
1.6. Scope of the Study 7
1.7. Limitation of the study 7
1.8 Organization of the Paper 7
CHAPTER TWO 8
2. LITERATURE REVIEW 8
2.1. Overview of Theoretical Discussion 8
2.1.1 Introduction 8
2.1.2 Definition 8
2.1.3 Major tasks of purchasing 9
2.1.4 Purchasing department responsibilities 10
2.1.5. PROCUREMENT METHODS 11
2.1.6 Objectives of Purchasing 14
2.1.7. General procedure of purchasing 18
2.1.8. Purchasing policy 20
3. Research Design and Methodology 21
3.1 Research Design 21
3.2 The Subject of research 21
3.2.1 Sample and sampling procedure 21
3.2.2 Population 22
3.3. Method of data collection 22
3.4. Method of Data analysis and presentation 23
CHAPTER FOUR 24
4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION 24
4.1 Data Presentation 24
4.2 Demographic Characteristic 24
Table 4.2.1 Demographic characteristics of Respondents 25
4.2.2 HOW OFTEN PURCHASES ARE REQUESTED 26

Table 2: Number of times Purchases are request 26
4.2.3 FREQUENTLY ASKED MATERIALS 27
Table 3: Frequently asked Materials 27
4.2.4 RATING PURCHASE PERFORMANCE INTERMS OF 5R's PURCHASING PRINCIPLES 27
Table 4: Purchased Items in terms of Right Quality 28
Table 5: Purchased Items in terms of Right Quantity 28
Table 6: Purchased Items in terms of Right Source 29
Table 7: Purchased Items in terms of Right Price 29
Table 8: Purchased Items in terms of Right Time 30
4.2.5 REASON FOR DELAYED PURCHASE 30
Table 9: Reason for Delayed Purchases 30
4.2.6 AVERAGE TIME IT TAKES TO RECEIVE REQUESTED ITEM 31
Table 10: Average Time a Purchase takes Place ..... **Error! Bookmark not defined.**
CHAPTER FIVE 33
SUMMARY, CONCLUSIONS and RECOMMENDATIONS 33
5.1 SUMMARY 33
5.2 CONCLUSIONS 35
5.3 RECOMMENDATIONS 36
References 37
Interview questions for purchasing staffs of BOA 38
Interview questions for senior management staffs of BOA 38
QUESTIONNAIRE ON EVALUATION OF PURCHASING PRACTICE 39

CHAPTER ONE

1.1 Introduction

1.2 Background of the Study

The new millennium features increasing numbers of world-class competitors, domestically and internationally, that are forcing organizations to improve their internal processes to stay competitive. Sophisticated customers, industrial and consumer, no longer talk about price increases—they demand price reductions! Information that is available over the Internet will continue to alter the balance of power between buyers and sellers. An abundance of competitors and choices have conditioned customers to want higher quality, faster delivery, and products and services tailored to their individual needs at a lower total cost. If a company cannot meet these requirements, the customer will find someone who is more accommodating. Robert M. Monczka, Robert B. Handfield, Larry C. Giunipero, James L. Patterson ,2009.

Effective procurement requires the utilization of sound business practices that maximize value to the organization through the acquisition of goods and services. This follows the old adage that the Purchasing Department's role is to deliver the right material (or service) in the right amount to the right place at the right time and at the right price. You can do this by employing well-conceived strategies—a plan to enhance competitive bidding, for example—that leverage clearly defined processes to manage the supply base. As a purchasing manager, you will be expected to conceive and implement strategies that employ best practices. Fred Sollish and John Semanik,(2005,p2)

Purchasing and supply management also has a major impact on product and service quality. In many cases, companies are seeking to increase the proportion of parts, components, and services they outsource in order to concentrate on their own areas of specialization and competence. This further increases the importance of the relationships between purchasing, external suppliers, and quality. (Robert M,et.al 2009)

In Ethiopia based on the proclamation no. 430/2005 the economic and efficient use of public funds is essential to well-functioning government, purchasing of goods, works and services constitute a major share of public expenditure. Purchasing must carried out in a manner which is not only economic and efficient but also fair transparent and non-discriminatory. Public procurement may also be instrumental to economic development at regional and national level in Ethiopia.

For the sustainable growth of Bank of Abyssinia and the smooth flow of operation that resulted in ultimate customer satisfaction the role of all the Banks organs including both the core and support functions is inevitable. Among these functions one is Enterprise Service, which is mainly engaged in the acquisition, administration, distribution and disposition of physical, intangible and financial resources. The area encompasses Procurement and Supplies of goods and services; Property and Facility management; Finance and accounting activities; Engineering and Project Management Activities and Physical Security of all Assets of the Bank.

Procurement and supplies Division one of the sub divisions in bank of Abyssinia. This is mainly engaged in acquisition of goods and services to facilitate the banks operation.

The Bank procurement unit is organized under the support process unit to supply the requested material to the user department Branches.Proper designed procurement system allows the procurement unit to acquire the goods at the right time, price, source, quality and quantity. The user department will also step forward their activity for the achievement of the organizational goal without any interruption as they are acquiring the requested material. Thus, in this study the researcher tires to evaluate the procurement practice at the Bank of Abyssinia (BOA)

1.1 Statement of the Problem

Private commercial banks play a very key role in the economic growth of any country. The sector contributed 5.4% of the GDP in 2010 with a potential to contribute 8% to 15% (CBK, 2014) compared to 22% in South Africa and Ghana at 28%. In addition, they hold assets worth 63% of the GDP. Buxey (2016) believes that purchasing management is the central instrument to assist the efficient management of resources in an organization. Many purchasing management models have

been developed, most of the Kenyan private commercial banks run fully developed purchasing management departments (KBA, 2011).

Due to non-recognition of the purchasing management contribution in the banking industry by management, gaps do exist on how the function is managed from the point of identification of the need, sourcing for suppliers, delivery of the need and after delivery activities of the need (Wambui, 2010). As a result the function itself, if not well managed has increased organization cost-: in terms of inflated pricing by corrupt purchasing officers, stock out cost, poor quality which results to poor customer service levels, ad hoc buying, inefficiencies in the supply chain among other costs.

Purchasing control management is an important mechanism of achieving organizational performance. Because purchasing is a very critical component in every organization, it requires serious managerial consideration since it ties up a lot of firms' capital. However, purchasing are essential to satisfy customer demand and to maximize customer service (Chapman, 2010). So, for any organization, managing and controlling purchasing activates is directed to the success of profit making by inventory cost minimization, to insuring cash flow and to rendering quality service to customer.

Bank of Abyssinia (BOA) is one of the private bank in Ethiopia. There is a big competition b/n commercial banks. It requires good inventory management system to meet its obligation. Those the purchasing department purchased to stock in the warehouses include different furniture, ATM machines, cash counting machines, consumable items, computer and accessories, cash safe box and different to store in the company warehouse at Legetafo.
According to BOAs financial report (2018), the company's total purchasing amount was birr 4,088,065,760.66. This amount is 21.06 % of the company's total asset birr 860,956,776.99 BOA (2018). It is a significant amount to the company and the inventory amount shows that BOA manages various items.

Purchasing plays a key role for the attainment of organizational objectives by providing right quality of inputs for users at the right time and right price (cost). However the purchasing department of bank is not playing this role effectively because of Department work flow is too

long and the department is not fully authorized to make decision in every procurement step and method.

Due to the reason no previous study on effectiveness of purchasing management of BOA, the student researcher highly motivated to study and used the necessary data investigated related to the following research questions.

1.4. Objective of the Study

Based on the problems discussed above, the study contains both general and specific objectives.

1.4.1. General objective

The general objective of this study to evaluates the purchasing practice of Bank of Abyssinia.

1.4.2. Specific objective

The study has the following specific objectives.

- ⇨ To assess the steps involved in the purchasing process
- ⇨ To identify how to affect efficient purchasing practice
- ⇨ To investigatetheimpactsofthepurchasingpolicyandmanualonefficientpurchasing practice
- ⇨ To measure the performance of the department in relation with procuring the right quality, quantity, time, source ,and price
- ⇨ To identify the criteria use to select suppliers?

1.4.3. Research questions

- ➢ What are the steps involve in the purchasing process?
- ➢ How to affect efficient purchasing practice?
- ➢ What are the impacts of the purchasing policy and manual on efficient purchasing practice?
- ➢ What are the performance of the department in relation with procuring the right quality, quantity, time, source, and price?
- ➢ What are the criteria use to select suppliers?

1.5. Significance of the Study

Every research is expected to contribute in some ways to various parties. The study is believed to help for the clear understanding of the reasons behind inefficient purchasing practice and its implications on the accomplishment of BOA mission.

Because, the inventory materials have an effect on company services rendered for its large number of customers. So the study will be highly important to Bank of Abyssinia management to make the right decision to rendering quality customer service by improving their purchasing activities of the bank.

The study will be also important to top level management and policy makers of BOA to understand of the study will find and recommend to improve their purchasing system. In addition to these, the study will serve as information for those who are interested to conduct further study on related topics.

1.6. Scope of the Study

The scope of the study will be limited to the impact of purchasing practice on the performance of the organization. The study will be carried out at BOA and involved the staff of the bank procurement unit, stores, user department and branches.

1.7. Limitation of the study

The researcher is limited to collect data only at head office departments and limit no city branches due to the shortage of data. Thus the study also focused only on the purchasing practices of the company.

1.8 Organization of the Paper

This proposal is organized in **five** chapters.

- The First Chapter presents the research proposal, briefly stating the research problem and mentioning the purpose of the study also it presents the research methodology.
- The Second Chapter examines related researches and review relevant literature.
- In the Third chapter deals with the Research Design and Methodology
- The fourth chapter presents the analysis and
- The fifth chapter deal with summary of the major findings, conclusion and recommendation of the study.

CHAPTER TWO

2. LITERATURE REVIEW

2.1. Overview of Theoretical Discussion

2.1.1 Introduction

In order to manage organizations effectively and efficiently every functions of the firm shall be given due considerations. Particularly those functions of the organization taking significant portion of the budget rather require preferential attention. Purchasing is one of the major functions of a given organization in most cases; more than 50% of organizations' budget is spent on purchase of materials and various services. Thus considerable attention given to purchasing would have payoff.

As we approach the twenty first century, the materials function will continue to assume increasing importance in the nations of the industrialized world. So, all mangers should understand the general concepts and problems in purchasing and managing materials.

Purchasing is one of the basic functions common to all types of business enterprises. It is basic because no business can operate without it. Thus, the success of a business enterprise depends on the purchasing executive as it does on the executives who administer the other function of business.

2.1.2 Definition

It is very difficult to list all the definitions of purchasing but some of the purchasing definitions are "Purchasing is the activity responsible for getting the right material to the right place, at the right time, in the right quantity, at the right price" (Herel , Encyclopedia 1996:994) .

Purchasing refers to a function in business whereby the enterprise obtains the inputs for what it produces, as well as other goods and services it requires. Purchasing is one of the basic functions common to all types of business enterprise. These functions are basic, because no business can operate without, them (Dobler 1984.327).

Purchasing is the responsibility of buying the kinds and quantities of materials authorized by the requisitions issued by production scheduling, inventory control, engineering, maintenance and other department of function requiring materials (Leenders, ,1989: 25).

In general purchasing can be defined as acquisition of required materials, services and equipment used in the operation of an organization. It is one of the basic functions common to all types of business enterprise. In order to fulfill the basic responsibility of optimizing company profit, all business functions must mesh into a unified whole.

In most business organizations the Purchasing Department and the purchasing function are taken as one and the same. There is a distinction between the purchasing function and the Purchasing Department. The department is a unit of a firm whose duties include some part or all of the purchasing function.

The purchasing function is usually performed economically and efficiently by a specialized, Centralized Purchasing Department, directed by a skilled purchasing manager. But the purchasing function does not have to be performed in such a manner. In practice it is sometimes performed by any member of different executives or departments.

2.1.3 Major tasks of purchasing

"Purchasing in broader terms involves determine the need, selecting the supplier, arriving at proper price, terms and conditions, issuing the contract or order, and following up to ensure proper delivery" (Alijan, 1975:270).

Major types of purchasing activities carried by a typical Purchasing Department of a given organization include:

i. Coordination with user department to identify purchase needs
ii. Doing traditional buying
iii. Discussion with sales representatives
iv. Identification of potential suppliers
v. Conduct market studies for important materials
vi. Negotiation with potential suppliers
vii. Analysis of proposals
viii. selection of suppliers
ix. insurance of purchase orders

x. Administration of purchase contracts and resolution of related problems

xi. Maintenance of a variety of purchase records

"In simple terms the basic element involves in performing the purchasing function are obtaining the proper equipment, material supplier and service in the right quality, in the right quantity, at the right price and from' the right source" (Alijan, 1973: 1 -3).

It is a supplies management function that covers the acquisitions stage of supplies from receipt of the 'notice of need' to the final clearance of the invoice including negotiation, placing purchase orders, chasing delivery, recording purchases, clearing price checks on the invoices related to purchases.

2.1.4 Purchasing department responsibilities

Purchasing is one of the basic functions of a given organization shouldering the following major responsibilities.

1. Provide an uninterrupted flow of materials, supplies, and services required to operate the organization.
2. Keep inventory investment and loss at a minimum
3. Maintain adequate quality standards
4. Find or develop competent vendors
5. Standardize where possible, the items bought
6. Purchases required items and service at lowest ultimate price
7. Improve the organizations competitive position.
8. Achieve harmonious, productive working relationships with other departments within the organization.
9. Accomplish the purchasing objectives at the lowest possible level of administrative costs (Leenders, 1989: 26).

2.1.5. PROCUREMENT METHODS

The Federal Democratic Republic of Ethiopia, Public Procurement and Property Administration Agency (2011, PP: 47) by quoting Proclamation Article 33**:** list the following methods of procurement

The following methods of procurement are used in Bank of Abyssinia procurement:

- Bidding (tendering)
- Request for Quotations
- Request for Proposals
- Restricted Bidding
- Direct Procurement

The Federal Negarit Gazeta (2005, pp 2963) sates that except as otherwise provided in this Proclamation, the procuring entity shall use open bidding as the preferred procedure of procurement. Even though it is common that each method has its own advantage and drawback, the Ethiopian government prefers the bid way of purchasing especially; open bidding way to perceive the advantage gained by such method.

2.1.5.1 Bidding (Tendering)

According to Lysons and Farrington (2006, PP: 576) a purchasing procedure whereby potential suppliers are invited to make a firm and unequivocal offer of the price and terms on which they will supply specified goods or services, which, on acceptance, shall be the basis of a subsequent contract. Alternatively, Lewis (2005, pp 1) elaborate as a formal written offer to undertake work or provide services for a stated price is called tender

Types of bid

According to Lysons and Farrington (2006, PP: 576) tender are alienated in to five ways:

Open Tender: Prospective supplier are invited to compete for a contract advertised in the press or on the internet-the lowest tender generally being accepted, although the advertisers usually state that they are not bound to accept the lowest or any tender. Similarly the Federal Democratic Republic of Ethiopia, Public Procurement and Property Administration Agency (2011, PP: 41) sates that all interested firms bidders are given adequate notification of contract requirements

and all eligible bidders are given an equal opportunity to submit a tender Bank of Abysinia (BOA) must give sufficient notification of bidding opportunities to potential bidders to determine their interest and prepared bid document.

For works ----------br 100,000,000.00

For goods----------br 50,000,000.00

For consultancy--------br 5,000,000.00

For other services-------br 10,000,000.00

Selective Tender: Tenders invited from supplier on an approved list that have been previously vetted regarding their competence and financial standing.

Serial Tenders: Prospective suppliers are requested on either an open or a selective basis tender for an initial scheme on the basis that, subject to satisfactory performance and unforeseen financial contingencies, a program of work will be given to the successful contractor, the rates and prices for the first job being the basis for the rest program.

Negotiated tender: a tender is negotiated with only one supplier so that competition is eliminated. This type of contract is usual. In case of local authority, it would require the waiving of standard order.

Thus, generally the Ethiopian government adopts only the two methods of tendering;

Open and restricted Tendering.

Two stage biding

According to the bank may use Two-Stage Bidding Method for the procurement of large or complex contracts. In the First-Stage, a public body shall invite through advertisement un priced technical proposals on the basis of Bidding Documents which shall state the requirements of the public body in general terms and incorporate the necessary description and questionnaires and outline a conceptual design and/or specific performance requirements. A conceptual design would focus mainly upon the presentation of a functional design that provides potential bidders with basic technical information, e.g. stipulated performance specifications, outline technical specifications, visual, operational and economic details of the required procurement object.

2.1.5.2 Request for quotation

The federal Democratic Republic of Ethiopia, Public Procurement and Property Administration Agency (2011, PP: 73) a bank of Abyssinia (BOA) may undertake procurement by means of a Request for Quotations (RFQ) for the purchase of readily available, standard, off-the-shelf goods and related services and low value simple works or physical services, provided the estimated value of the contract does not exceed the amount

- For works --------br 1,000,000.00
- For goods--------br 500,000.00
- For consultancy--------br 120,000.00
- For other services----------br 200,000.00

BOA shall request quotations from as many Bidders as practicable and shall obtain and compare at least three (3) quotations to establish the competitiveness of the quoted prices. Comparison of two (2) quotations is justified only when there is satisfactory evidence that there are only two sources of supply.

2.1.5.3 Request for proposal.

The Federal Democratic Republic of Ethiopia, Public Procurement and Property Administration Agency (2011, PP: 79) A Request for Proposals (RFP) shall be used by the bank for procurement of consultancy services. Consultancy services mean a service of an intellectual and advisory nature provided by consultants using their professional skills to study, design, and organize specific projects, advice clients, conduct training and transfer knowledge.

2.1.5.4 Restricted bidding

Prospective suppliers are invited to compete for a contract that advertising of which are restricted to appropriate technical journals or local newspapers. Likewise the Federal Democratic Republic of Ethiopia, Public Procurement and Property Administration Agency (2011, PP: 43) the total contract value of Procurement made by restricted bidding, in accordance with Article 49.2 of the Proclamation shall not exceed the following:

- for procurement of works below Birr 5,000,000.00;
- for procurement of goods below Birr 3,000,000.00;
- for procurement of consultancy services below Birr 1,000,000.00;
- For procurement of services below Birr 1, 0000,000.00.

2.1.5.5 Direct procurement

The bank was, in the first place, ask for a quotation from a single bidder directly and afterwards shall be free to negotiate with the selected sole bidder. There is no requirement for Direct Procurement to be advertised, nor is there a need for a bid security.

Single versus Multiple Sources

According to Benton (2007, pp 150-151) the main argument for multiple source are competition and ensure supply. It is commonly believed that competition between suppliers for a similar part will drive costs lower as suppliers compete against each other. [Conversely] the major arguments in favor of single sourcing are that with the certainty of large volumes the supplier can enjoy lower costs per unit and increased cooperation and communication to produce win-win relationship between the buyer and seller.

Then again, Fearon and England (1992 pp 257) discussed how the purchasing unit relay

With a single source by enumerating

1. Prior commitment, a successful past relationship, or an ongoing long term contract with a preferred vendor might prevent even the possibility of splitting the order.
2. The supplier may be the exclusive owner of certain essential patent or process and, therefore be the only possible source.
3. Concentrating purchase may make possible certain discounts or lower freight rates that could not be had otherwise.
4. When all orders are placed with one supplier, deliveries may be more easily scheduled.
5. Effective supplier management may require considerable resources and time.

2.1.6 Objectives of Purchasing

The objectives of purchasing can be classified into three levels including: general managerial level objectives, functional level objectives and detail / operational level objectives (Dobler,1996:43)

2.1.6.1 General Managerial Level Objectives

"The standard statement of the overall objectives of the purchasing function is that it should obtain the right materials in the right quantity, for delivery at the right time and place, from the

right source with the right service {after and before sale) and the right price "(Leenders,1989:24).

From the top managerial perspective, purchasing has the following objectives, which can be explained in terms of the 5R's of purchasing.

1. ***Right quality*** -quality is defined as simply 'fitness for purpose' or the British standard institution defines "the totality of features and characteristics of a production or service that bear on its ability to satisfy a given need" (Nair, 1990:125)

   In meeting, this objective purchasing must select items, which have sufficiently quality to fit user's requirements and specifications. The term quality as used in the field of purchasing carries quite a different meaning than the meaning that we usually associated with this word. In common usage, it refers to the excellent features of the subject, "The right quality is the suitable of an item for a given purpose" (Nair, 1990: 125)

2. ***Right quantity*** -The right quantity is more relevant to the purchase of consumables or parts or assemblies for manufacturing than for project buying. Fulfilling these objectives will enable to provide a continuous and uninterrupted material at the minimum cost. In most organization the decision of how much to purchase is more important by the close relationship of purchases quantity and schedule use. (Parson, 1982:25)

The decision of how much to acquire follows clarification of what is acquired. Therefore before making decision considering factors that complicate that quantity decisions are essential, including:

- The larger the quantity is the lower the unit price.
- The larger the quantity the higher the storage costs
- The larger the quantity is the higher the risk of damage.
- The larger the quantity the higher the cost of items in storage
- The larger the quantity the fewer orders that will be place and hence the lower the ordering cost.

3. ***Right price*** -A traditional purchasing objective is to obtain the lowest possible purchase price. However, the common practice is to obtain the best life cycle price or the lowest total acquisition cost. "The factor that affect the price of items are quality and quantity required, urgency of requirements, demand and supply of materials in the market, whether there is

room for competition or not, whether the past business relationship was good or not' strained " (Parson, 1982: 145).

4. ***Right time*** --The delivery of the contracted item to the right place at the right time is an important procurement function. Proper buying enhances production schedules without loading warehouse with excessive inventory and also minimizes the unfavorable effects of price changes. In case of regularly used or procuring' items, right time may mean the time when the stock reaches the minimum level adhering the responsibility shared both by the purchasing unit, and the approving body.
5. ***Right supplier*** -the right source is fundamental component or the major purchasing objectives. Basic information about the number and location of potential suppliers, the nature of products, prices charged and forecasts of the economic condition can be acquired if we are to analyze the supply market effectively rather than simply t buy from traditional sources which may not be competitive.

But there are problems faced by the purchasing units emending securing right and permanent source of supply. The first problem is identifying potential source of supply, then selecting the right reliable supplier is also challenging. The most difficult challenge is to secure long-term relationship with the right supplier because of the dynamic nature of the business environment and continuous attempt of businesses to make better profit relationship with the right suppliers might not last long. Hence periodic revision of the status of the relationship and making the necessary amendments in agreements is required.

2.1.6.2. Functional Level Objectives

The operational (Functional level perspective probes more deeply to. develop a set of statements that provide practical and useful targets for decision-making purpose. This perspective contains eight basic objectives:

1. To support company operations with uninterrupted flow of materials and services.
2. To purchase competitively: It involves keeping abreast of the forces of supply and demand and regulates prices and availability of materials in the market place. It also involves understanding of the suppliers cost structure and then negotiate price and service arrangement that are fair relative to the suppliers actual cost.

3. To keep inventory investment and inventory loss of at a practical minimum. Maintaining a large inventory is one way to achieve objective one, but it is also costly, hence the supply management job is to achieve a reasonable balance between the level of inventory required to support operations and the cost of carrying the inventory.
4. To buy wisely. Buying wisely involves a continual search for better values that yield the best combination of quality, service and price relative to buyers' need. It may also involve coordinating and reconciling user's need with supplier's capabilities, to achieve optional values considering both Issues.
5. To achieve maximum integration with the other departments of the firm. It is essential to understand the major needs of their using departments, so that these needs can be translated in to materials support actions. The most common types of support actions are forecasting future prices and business conditions, performing economic make or buy analysis etc.
6. 'To handle the purchasing and supplies management function proactively in a professional, cost effective manner. Management should expect the preceding the above objective to be achieving in a professional manner at a cost that is appropriate with their value to the organization.
7. To develop effective and reliable sources of supply. Cooperative suppliers that are willing to work with a buyer to help solve the buying organizations problems and to minimize its materials related costs are valuable resources.
8. To develop good relationship with the supplier community and good continuing relationship with potential suppliers. The achievement of the preceding objective on a continuing basis is 'possible when mutually satisfactory continuing relationships are maintained (Dobler, 1996:42-44).

2.1.6.3. Detail Level Objectives

At this level precise strategic buying plan are formulated. The focus is on the detailed objectives that are developed when precise buying plans are made for each of the major categories of materials the firm uses in its operation. These objectives are produced from the second level objectives and are applied to fulfill the specific needs associated with each type of purchase.

The precise set of objectives for each material typically varies because the usage requirement, the operating conditions and the markets in which each material is purchased usually are different. These objectives focus on points like quality, sourcing, pricing, production and inventory planning.

2.1.7. General procedure of purchasing

Procedures used in completing a total transaction normally vary among different types of purchases and in different organizations. However, purchasing procedures refers to the way in which a purchase transaction is carried through from its inception to its conclusion. A purchasing proceeding usually begins with an investigation of new suppliers can be made for renegotiating contracts with existing suppliers.

The general cycle of activities in purchasing most operating materials and suppliers is fairly standardized. The following steps constitute the typical purchasing procedures.

1. **Organizing of purchase requisition**

The need for a purchase typically originates in one of a firm operating departments or in its inventory control section. It is a stimulus for purchaser to initiate purchasing. The essential information which requisition should contain includes a description of the material; quantity, date required; estimated unit cost; the date; an authorized signature.

2. **Verification of purchase requisition**.

The purchasing department verifies whether the requisition is appropriately filled or not.

3. **Evaluation and selection of the supplier.**

As soon as the need has been established and precisely describe, the buyer begins an investigation of the market to identify potential source of supply. In the case of routine items for which supplier relationship have already been developed, little additional investing may be required to select a good source on the other hand the purchase of high-value or new item may require lengthy investigation of potential suppliers to make a decision about the most desirable supplier.

4. **Preparation of purchase order.**

Once a supplier has been selected the purchasing department prepares and issues a serially numbered purchase order. In most cases the cases the purchase order becomes a legal contract document. For this and other reasons the buyer in preparing and wording the order should take great care.

5. Follow up

Also called expediting, purchasing bears full responsibility for and order until the material is received and accepted. When there is a reasonable chance that the supplier may not stay on schedule important orders with critical delivery date should receive active follow-up attention. There may be a need to speed up (expedite) or even delay (de-expedite) delivery if the buyers timing requirement undergo unexpected changes.

6. Receiving and Inspection

The supplier ships materials with the packing slip, which itemizes and describes the contents of the shipments. The receiving clerk uses this packing slip in conjunction with his/her copy of the purchase order to verify that the correct material has been received.

7. Payment

The typical procedure involved is a simultaneous of the purchase order, the receiving report and the invoice. By checking the receiving report against the purchase order, the purchaser determines whether the quantity and type of material ordered was in fact received. Then by comparing the invoice with the purchase order and received.

8. Evaluating the purchasing performance

Purchasers need to evaluate whether the materials purchase from the supplier have satisfied the need of the users. This evaluation will help whether to consider the supplier next time. The specific procedures employed by each should be designed to meet the unique needs of that firm. Properly designed procedures should accomplish four objectives according to Dobler . These are:-

i. Fulfill each task satisfactorily with minimum of time, effort and proper work.
ii. Effectively communicates and coordinate the efforts of one work group with another.
iii. Minimize overlapping effort and group conflicts.
iv. Permit effective management by exception (Dobler, 1996:89).

2.1.8. Purchasing policy

"A policy is a statement that describes in very general terms may intend course of action" (Ibid:45) If policies are to function effectively, it is imperative that they be placed in written form. A purchasing policy manual typically has two distinct sections, one containing company policies which spells out in unmistakable terms the responsibility and authority at all departments, and the other containing department policies which inform personnel of the expected patterns of conduct for major buying activities and for relations with suppliers. The purchasing policies should be clearly communicated to the staff and other stakeholders. Medias for communicating this information to the company employee can be published regulation, Company informational booklet and departmental manuals (Alijan, 1973:2-31).

Purchasing policy places the authority and responsibly for purchasing in the purchasing department. Every transaction between a buyer and seller involving the transfer to property is a contract. From the beginning to the completion of a transaction' between a buyer and seller many problems are involved and the paper handling of these and the administering of the business' features connected with them are vital factors in the successful operation of the company. For this reasons, the authority and responsibility of purchasing rests with the purchasing department.

The purchasing department is responsible to establish and administer purchasing policies, institute reports necessary to permit analysis of purchasing performance, negotiate and approve term contracts, analyze prices, paid for materials and generally define how to obtain saving and to co-ordinate purchasing procedures (Westing, 1985:2 -3).

The specific style, format and contents of purchasing policy manuals vary widely. What is important is that all major policies and operating procedures be communicated in writing. They must be stated in simple and unambiguously words in a manual that is easy to use.

Chapter three

3. Research Design and Methodology

This chapter consists of three parts. The first part deals with the research design and approach; outlined as the type of research, the characteristics of the participants, and methods used to collect the data. Secondly, ethical considerations are addressed and finally the different methods used to analyze the data are discussed.

3.1 Research Design

Research Design is a blueprint for fulfilling research objectives and answering research questions. In other words, it is a master plan specifying the method and procedure for collecting and analyzing the needed information. Adams&et al (2007, pp 81). Descriptive research is aimed simply at describing phenomena and is not particularly concerned with understanding why behavior is the way it is. Adams &et al (2007, pp 21). Besides, as per Malhotra and Peterson (2006, pp76) descriptive research assumes that that the researcher will have prior knowledge about the problem situation. The design for this study will be descriptive research because of to examine the current practice of procurement progress.

3.2 The Subject of research

The study will conduct on Bank of Abyssinia procurement department. The procurement department and related staffs at Head Office & branch office will be considering making the research. The data therefore, will be collect from the right people who should be include in the research.

3.2.1 Sample and sampling procedure

According to Fetter and Mcmillan (1980 pp 177) purposive samples normally involve a more deliberate effort to secure a sample that conforms to some predetermined criteria. The researcher will use a non-probability sampling design in the form of a purposive sampling

method will adopt and consider to be appropriate to gather the data. For interview case, the procurement support process team leader and the procurement officer.

3.2.2 Population

Generally, the population is the whole staff at Bank of Abyssinia (BOA) totally Over 5825 in number.

Department staff 2400

City branch staff 1600

Outline staff 1800

The target population will be all the procurement, HR, store, facility and five city branches more than 200 employees).

3.3. Method of data collection

3.3.1 Table

No.	Functional Departments	Number Of Professional Employees
1	Procurement d department	**10**
2	HR	**15**
3	Store	**5**
4	facility	**10**
5	Selected five city branches	**20**
		60

The quantitative and qualitative data collection tools are used to collect data from the concern the bank. Accordingly, questionnaire and interview use as instrument of data collection. The questionnaires are design as close ended and open ended items. It's organized in to two major parts, The first part is about personal characteristics of respondents such as, sex, position, age, qualification and so on, and the second part was deals with the issue practice and challenges of purchasing departments. Finally, the questionnaire was distributed to the select sample population.

3.4. Method of Data analysis and presentation

The data will from different sources, both quantitative and qualitative, will process and analyzed. Mixed approach will use so it can be helpful to come up with well validate and substantiate findings (Croswell, 2002). Accordingly, data obtain through close ended questionnaire will first edit for their completeness, categorize, will register and interpret use descriptive statistical method. The Data entry, analysis and presentation of data gathered through questionnaire was performed though **SPSS software version 20**

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Data Presentation

This chapter presents the detailed data presentation of the study and analysis based on the discovered data. To assess the evaluation of purchasing practice in boa. In meeting users requirements questionnaires were distributed to a sample size of 60 selected using quota sampling method so that the sample have good representations from every department and would consist both managers and officers in boa. The data is presented and analyzed using SPSS software program

4.2Demographic characteristic

The demographic characteristics of the respondent are summarized as follows

Table 4.2.1 Demographic characteristics of Respondents

Profile	Demography Of respondent	Number of Respondents	Percentage of Respondents
1. Educational level	Diploma and less	25	41.7%
	First Degree	30	50%
	Masters and above	5	8.3%
	total	**60**	**100%**
2. Gender	Female	25	41.7%
	Male	35	58.3%
	total	**60**	**100%**
3. Age	20-29 years	15	25%
	30-39 years	36	60%
	40-49 years	7	11.7%
	above 50years	2	3.3%
	total	**60**	**100%**
4. Department	procurement	**10**	
	HR	**15**	
	Store	**5**	
	Facility	**10**	
	Selected five branches	**20**	
	total	**60**	**100%**
5. Position	Senior Management Level	**10**	16.7%
	Middle Level Management	**22**	36.7%
	Officer	**28**	46.7%
		60	**100%**

The above table shows 50% of the employees have a first degree, 41.7% of the respondents' replies that they possess Diploma that only 8.3% of them have Masters and above this implies very fewer employees got the chance to advance in their education and from this 58.3% of them are male staffs implying 1:4 ratio of female to male employment distribution in the organization. The age distribution more lies between 30-39 because 60% of the respondents' fall within this category only 36.7% of the respondents' are between 20-29 and 40-49. The remaining are above 50. The table also shows most of the respondents' are at lower level however 36.7% and 16.7% are at middle and senior management level respectively.

4.2.2 HOW OFTEN PURCHASES ARE REQUESTED

Table 4.2.2: Number of times Purchases are request

	CHOICE	RESPONDANTS	PERCENTAGE
How often do you fill Purchase requisition?	At Least Once a Month	23	51%
	Every Week	10	22%
	At least once a Year	12	27%
	TOTAL	45	100%

The above table shows that 51% of the respondents make purchase request at least once in a month, 22% of the respondents make purchase request every week and 27 % of the respondents make purchase requests per year. This explains that the majority of the users make frequent purchase request because almost half of the respondents makes purchase request at most every month and this implies the purchasing units are very busy with large and frequent purchase requests.

4.2.3 FREQUENTLY ASKED MATERIAL

Table4.2.3 : Frequently asked Materials

	CHOICE	PERCENTAGE
Which items do you request mostly?	**Promotion and Printing Materials**	16.7%
	Stationery and office Supplies	23.3%
	Computers and Accessories	25%
	Office Equipments Supplies	13.3%
	Vehicle and Motor Bike Parts	8.3%
	Other	13.3%
	Total	100%

Key: 1…. Promotion and Printing Materials
2…. Stationery and office Supplies
3…..Computers and Accessories
4…. Office Equipments Supplies
5 .....Vehicle and Motor Bike Parts
6…..Other

The Above table or graph shows that most respondents make Purchase request for Computers and Accessories, Stationery and office Supplies, Promotion and Printing Materials respectively in their order.

4.2.4 RATING PURCHASE PERFORMANCE INTERMS OF 5R's PURCHASING PRINCIPLES

- **In terms of the right Quality**

Table 4.2.4: Purchased Items in terms of Right Quality

	CHOICE	Respondents	PERCENTAGE
How do you rate the performance of purchasing in terms of right quality?	Always	27	45%
	Most of the Time	11	20%
	Rarely	8	13.3%
	Never	12	18.3%
	Don't Know	2	3.3%
	TOTAL	60	100%

The table shows 65% of the respondents' replayed purchasing unit is always or most of the time making the right quality of purchase. This is very significant number showing that users are satisfied by the quality of the items being purchased. If such large number of users are satisfied with the quality of purchased items this would indicate no problem in purchasing performance.

- **In terms of the right Quantity**

Table 4.2.5: Purchased Items in terms of Right Quantity

	CHOICE	Respondents	PERCENTAGE
How do you rate the performance of purchasing in terms of right quantity?	Always	55	91.7%
	Most of the Time	4	6.7%
	Rarely	1	1.7%
	Never	0	0
	Don't Know	0	0
	TOTAL	60	100%

The Table shows most respondents' are satisfied by the quantity of the items purchased because98.4% of the respondents' replied always and most of the time purchasing makes the right quantity which indicates quantity is never been a problem almost all requesters receives as per their request.

- **In terms of the right Source**

Table 4.2.6: Purchased Items in terms of Right Source

	CHOICE	Respondents	PERCENTAGE
How do you rate the performance of purchasing in terms of right source?	Always	13	21.7%
	Most of the Time	21	35%
	Rarely	10	16.7%
	Never	9	15%
	Don't Know	7	11.7
	TOTAL	60	100%

The Table shows that 21.7% of the respondents' replied always the purchased items are from the right source however 51.7% of them replied most of the time and rarely so this implies there are still some users who are not satisfied with the source and this directly affects the quality of the items because most of the time the supplier is selected based on least price.

- **In terms of the right Price**

Table4.2.7: Purchased Items in terms of Right Price

	CHOICE	Respondents	PERCENTAGE
How do you rate the performance of purchasing in terms of right Price?	Always	10	16.7%
	Most of the Time	13	21.7%
	Rarely	10	16.7%
	Never	7	11.7%
	Don't Know	20	33.3%
	TOTAL	60	100%

Based on the above table most respondents don't have any idea about the pricing of the purchased item. This is understandable in which most of the time the exact amount of the purchased item is not revealed to everyone.

- **In terms of the right Time**

Table4.2.8: Purchased Items in terms of Right Time

	CHOICE	Respondents	PERCENTAGE
How do you rate the performance of purchasing in terms of right Time?	Always	3	5%
	Most of the Time	11	18.3%
	Rarely	26	43.3%
	Never	20	33.3%
	Don't Know	0	0
	TOTAL	60	100%

This Table Shows that 76.6% of the respondents' replied Items are rarely or never delivered on time and this indicates that there is a huge delay of purchasing an item. This can also be indirectly interpreted as the table shows some interruptions of work, additional costs due to the supplier might be out of stock all this because of the delay.

4.2.5 REASON FOR DELAYED PURCHASE

Table4.2.9: Reason for Delayed Purchases

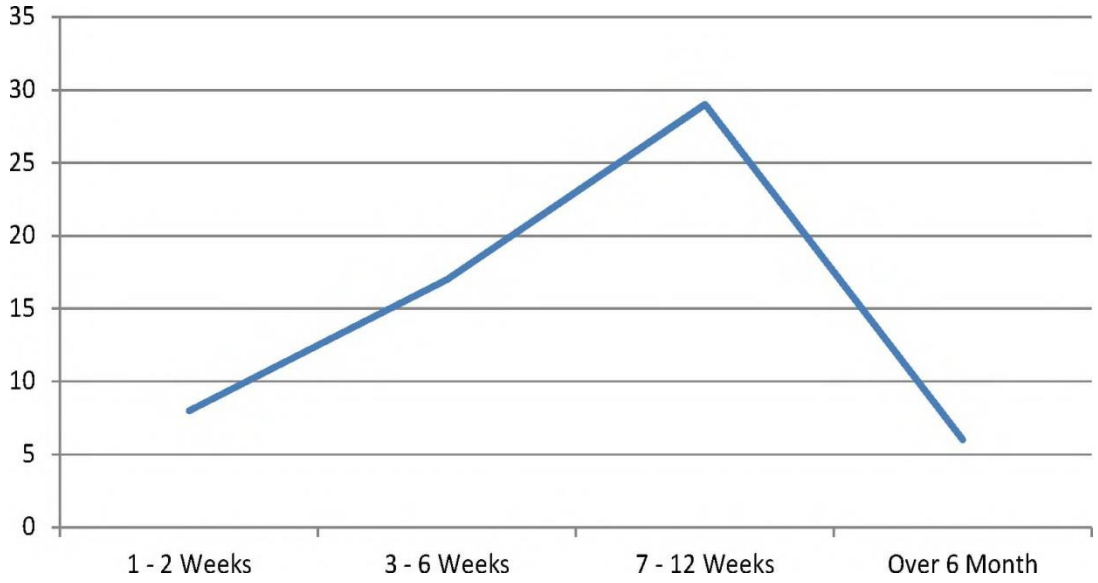
	CHOICE	PERCENTAGE
What do you think the reason for Delayed Purchase?	Lengthy purchasing process	25%
	Bureaucratic red tape	21.7%
	Work load on the purchasing staff	16.7%
	Lack of skill and experience by the purchasing staff	3.3%
	Lack of motivation	15%
	Suppliers' problem	11.7%
	Budget problem	6.7%
	Other	
	Total	**100%**

Table.4.2.10:Average time a purchase takes place

	CHOICE	RESPONDANTS	PERCENTAGE
What is the average time it ta you to receive an item requested?	1 - 2 Weeks	8	13.3%
	3 - 6 Weeks	17	28.3%
	7 - 12 Weeks	29	48.3%
	More than 6 Month	6	10%
	Total	60	100%

The highest proportion (46.7%) blame the lengthy purchasing process and the bureaucratic red tape for the delay the 11.7% respondents' blamed the suppliers however 31.7% respondents' blamed, the work load on the purchasing staffs and lack of motivation in which the motivation problem has to be studied in detail. And 6.7% of them blamed the budget problem this is because these employees believe that there is no budget problem because every fiscal year there is some money returned back to head quarter and they believe that the problem lies in the allocation of the budget by the budget holders. In other words lengthy purchasing process and the bureaucratic red tape are the core reason for the purchases not to be delivered on time.

4.2.6 AVERAGE TIME IT TAKES TO RECEIVE REQUESTED ITEM



48.3% or 29 of the respondents replied a purchase takes three months or more and 28.3% of the respondents' replied at least two months for a purchase to take place, the table shows only 13.3% of the responses confirm that the purchases are done within two weeks. This data is a clear indication that the purchasing process is very poor.

CHAPTER FIVE

SUMMARY, CONCLUSIONS and RECOMMENDATIONS

5.1 SUMMARY

Materials and Services constitute a major cost of any organization. The efficient procurement and handling of material represent a key role in the successful completion of the work. Purchasing deals with the acquisition of materials to be used in the operations. The primary function of purchasing is to get the materials at the lowest cost possible but keeping in mind quality requirements. Much progressive management have already realized that in lieu of changing business conditions, growing competition, continual in the costs of inputs, purchasing must be given equal status to that of other major functions. This paper tries to assess the the evaluation of purchasing practice of BANK OF ABYSSINIA (BoA)

In Overall Speaking Bank of Abyssinia has its own purchasing manual that describes the procedures of the purchasing process including the definition of each terminology. The five purchasing procedures which are: single bid, Negotiated, Open National tender, open international tender and restricted, will be applied for all the purchasing categories (Supplies, Service and Works) based on the level of the procurement.

Based on the manual the organization has 11 purchasing steeps starting from

i. Assessing needs,
ii. Doing traditional buying

iii. Discussion with sales representatives
iv. Identification of potential suppliers
v. Conduct market studies for important materials
vi. Negotiation with potential suppliers
vii. Analysis of proposals
viii. Selection of suppliers
ix. Issuance of purchase orders
x. Administration of purchase contracts and resolution of related problems
xi. Maintenance of a variety of purchase records

. Through all this steps they get to process more than 100 purchases in a month.

The purchasing staff is responsible for a number of duties one of this is making a well-established relationship with suppliers so that the quality of the purchased items will be retained. They are also given the discretion to invite suppliers for quotation.

In General the purchasing manual which the organization has govern the process all the way and gives no room for the department to deviate from it. Both the interview and the questioner reveled that most of the time less priced item is prioritized over any other qualities which also can be seen that 45% of the respondents' replied right qualities are purchased and this implies that the purchase of right items or similar to the requested.

Beside this 76.6% respondents' agreed the purchasing process it takes time, the main reason for the cause of the delay.

- **Lengthy process:** The purchasing processes which are very long some of the steps are redundant and because of this purchases are often delayed.
- **Lots of decision makers:** Besides the lengthy purchasing process, involvement of large number of decision makers delays the process.
- **Committee members:** the purchasing process involves varies committees including quality committee, technical committee and auction committees most of the members are taking the assignment as part time to their job
- Sometimes the requested items, might not be available in the market so the requisition shall be reprocessed

5.2 CONCLUSIONS

To gather information for the paper primary sources including questionnaire and interview were used, and also secondary sources including purchasing documents and manuals were revised. Both the primary and secondary sources revealed that the purchasing department of Bank of Abyssinia.

Have some problems which made it inefficient in some areas. The major areas of poor performance or in other words the research findings can be summarized as follows:

1. The management is not giving sufficient emphasis for the purchasing function. This can be observed from the following:
   - Not establishing systematic ways of expediting and follow up of the purchasing process.
   - Not establishing long term mutually benefiting relationship with reliable suppliers.
   - Not devising mechanism to reward efficient purchases and penalize inefficiencies
   - Not closely monitoring the performance of different committees involved in the purchasing process and taking prompt decision when ever needed
2. The purchasing process is very long with lots of decision makers and still nothing will be made for a particular purchase that is taking too long which means no reinforcements to make purchasers more committed to their work.
3. Mostly it gives high emphasis only for least price other principles of purchasing to secure right quality, quantity, sourcing and timing of purchases are not given any attention.
4. There is no comprehensive record for purchasing activities each individual purchase is handled separately and have separate file thus consolidated reports are hard to find
5. There is a huge store & inventory management there won't be items on the stock which are frequently asked and also there is an instance of newly purchased items while there is sufficient amount in the stock. This might also be caused by the user presenting the requisition directly to the purchasing unit without the consent of the store but still it is very hard to get updated information on time.

In General all the levels in the purchasing procedures helps to minimize the fraud that might exist along the way, but it still slows down the process to deliver an item or service on time. The manual states all the process that any purchaser has to follow in every process and this also helps to track down all the levels however it lacks to give proper emphasis on quality and time.

5.3 RECOMMENDATIONS

To alleviate the above mentioned problems the following recommendations are forwarded.

1. The management should give more emphasis to the purchasing process by giving due consideration to the following:

- Assigning qualified staffs who can check and receive the requested items
- Effectively communicating the importance of having efficient purchasing management which can be met by securing the purchase of right quality item, in the right quantity, from the right source, purchased for the right price and delivered at the right time.
- Establishing systematic ways of expediting and follow up of the purchasing process
- Seeing ways to establish long term mutually benefiting relationship with reliable suppliers since this will reduce suppliers cheating problem and to a higher extent tackle low quality purchases and delayed deliveries.
- Revising the purchasing process and avoiding steps which are redundant
- The management should also device mechanism to motivate purchasers through recognizing and rewarding efficient purchases while making sure intentional inefficiencies would result in substantial accountability.

References

- Robert M. Monczka, Robert B. Handfield, Larry C. Giunipero, James L. Patterson, 2009. PURCHASING AND SUPPLY CHAIN MANAGEMENT, 4th Edition,
- 2005 SYBEX Inc.. The Purchasing and Supply Manager's Guidto the C.P.M. ExamFredSollish
- John Semanik
- LysonsandFarrington(2006,PP:576)
- LeendersI.FearonandEngland(1989),Purchasing&MaterialsManagement;
- 9th ed. New Delhi: RechardIrwin Publisher.
- N.K. Nair (1990), Purchasing& Materials Management;2nd ed. NewDelhi: Vikas
    - Pubilshing.
- Parson W.J(1982), Improving Purchasing Performance;London: GowerLtd.
- FearonandEngland(1992pp257
- Donald W. Dobler(1984), Purchasingand Materials Management; 4th ed.NewYork:McGriwhill inc.
- Donald W. Dobler(1996), Purchasingand Supplies Management; 5th ed. New York : Mc
    - Griwhill inc.
- Federal Government PurchasingManual; 1999
- Federal Government PurchasingManual; 2005

\

Interview questions for purchasing staffs of BOA

1. Briefly describe the nature of your j ob?
2. What different types of purchases do you make?
3. How many purchase requisitions do you receive per week on the average?
4. How long a particular purchase would take you on the average?
5. How do you identify the right supplier?
6. What do you think is the most important objective to be met in a particular purchase?
7. Are there instances users complaint about the following:

a. Late purchases __ yes __no
b. Wrong quality items __ yes __no
c. Wrong quantity of items __ yes __no
d. Wrong sourcing of items __ yes __no
e. Wrong pricing of items __ yes __no

Interview questions for senior management staffs of BOA

1. Which purchases consume more budgets?
2. What are the fundamental documents guiding your purchasing process?
3. What are the steps involved in the purchasing process?
4. Have you practiced problems in implementing a purchase process due to any of the steps involved?
5. Which of the FIVE RIGHTS of purchasing [right quality, right quantity, right price, right time and right source] is/ are given more emphasis in your purchasing process?
6. Do you think the purchasing manual gives more emphasis to some of the FIVE RIGHTS of purchasing?
7. Are there incentives to encourage efficient and prompt purchases?

8. How do you expedite the purchasing process?

QUESTIONNAIRE ON EVALUATION OF PURCHASING PRACTICE AT BANK OF ABYSSINIA

Dear respondents:

My Name is Makda Aseged. I am a post graduate student At LeadStar College of Management and Leadership.

This questionnaire is designed to gather information on purchasing activities of BOA. For the research conducted in partial fulfillment of MBA degree. Your cooperation is a valuable input for the research findings. Please provide your genuine opinion. You may choose more than one option when applicable. Please tick your choice.

Respondent's Profile

1. Education level
   1) Certificate
   2) Diploma
   3) First Degree
   4) Masters or more
2. Gender
   1) Male 2) Female
3. Age
   1) 20 – 29
   2) 30 – 39
   3) 40 -49
   4) 50 or above

4. Department
    1) purchasing
    2) store
    3) facility
    4) HR
    5) Branch (customer service officer)

5. Work/ Position

   1) officer 2) Administrative staff 3

6. Do you make purchase request?

   1) Yes 2) No

7. How often do you fill purchase requisition?

   1) At least once in a month
   2) At least once in a quarter
   3) At least twice a year
   4) Once in a year

8. Which items do you request mostly?

   1) promotional and printing materials
   2) Stationeries and office supplies
   3) Computers and accessories
   4) office equipments
   5) Others_____

How do you rate the performance of purchasing function in the following respects?

It purchases the	Always(1)	Most of the time(2)	Rarely (3)	Never (4)	Don't know (0)
1. RIGHT QUALITY					
2. RIGHT QUANTITY					
3. RIGHT SOURCE					
4. RIGHT PRICE					
5. RIGHT TIME					

14. What is the average time it takes you to receive an item you requested?
    1) 1-2 weeks
    2) 3-6 weeks
    3) 7-12 weeks
    4) 13- 20 weeks
    5) More than 6 month
15. Do you think it takes too long to receive the items you requested?
    1) Yes 2) No
16. If you answered yes for question 7, what do you think the reason is?
    1) Lengthy purchasing process
    2) Bureaucratic red tape
    3) Work load on the purchasing staff
    4) Lack of skill and experience by the purchasing staff
    5) Lack of motivation
    6) Suppliers problem
    7) Budget problem
    8) Others (mention)_____

_____

_____

Thank you so much