



## EFFECT OF SUPPLIER PAST PERFORMANCE ON EFFECTIVE PUBLIC PROCUREMENT: A CASE OF TANZANIA RURAL AND URBAN ROADS (TARURA) IRINGA REGIONAL OFFICE

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### ABSTRACT :

The purpose of this study was to examine the effect of supplier past performance on effective public procurement at TARURA Iringa Regional Office, with secondary consideration of supplier financial capacity and technical capability. The study aimed to determine how previous project outcomes influence timely delivery, quality of work and overall procurement efficiency. A mixed-methods approach was employed, adopting an explanatory research design to capture both quantitative and qualitative perspectives. Data were collected from 84 respondents using structured questionnaires and from five key informants through semi-structured interviews, with a total population of 115. Quantitative data were analyzed using SPSS version 20, employing descriptive statistics, while qualitative data were paraphrased and integrated to enrich interpretation. Findings revealed that supplier past performance was a critical determinant of procurement effectiveness, with respondents noting that suppliers with a proven record of completing similar projects delivered higher-quality work, met deadlines consistently and maintained strong client satisfaction. The study concluded that evaluating suppliers based on past performance significantly enhances public procurement efficiency and reduces project delays and cost overruns. It recommended that TARURA implement structured performance-based assessment criteria, prioritize suppliers with strong historical track records and strengthen monitoring mechanisms to support accountability and transparency.

**Keywords:** Supplier Past Performance, Public Procurement Effectiveness, Supplier Assessment and Road Infrastructure Projects

### 1. INTRODUCTION

The selection of suppliers with proven past performance is critical for effective public procurement, particularly in infrastructure projects. In Tanzania, where public procurement accounts for over 70% of the government's development budget, poor supplier performance has been linked to project delays, substandard work, cost overruns and wastage of public resources (Kikwai, 2020; Moshi, 2022). Supplier past performance reflects their historical ability to deliver quality work on time, adhere to contractual requirements and satisfy clients, making it a key determinant of procurement success (Ngowi, 2024). Despite various regulatory frameworks and procurement reforms, agencies like the Tanzania Rural and Urban Roads Agency (TARURA) Iringa Regional Office continue to face challenges in identifying reliable suppliers, resulting in frequent road damage, project delays and inefficiencies in service delivery (Swai & Ally, 2023; Baguma, 2018).

The importance of supplier performance has been emphasized in theoretical and empirical studies. The Resource-Based View (RBV) posits that suppliers are strategic resources whose unique capabilities contribute to organizational success (Wernerfelt, 1984; Barney, 1991). Transaction Cost Economics and Agency Theory further highlight the need to select suppliers who minimize contractual risks and align with organizational objectives (Palmatier, 2015; Nimako, 2020). Empirical studies in Africa and Tanzania indicate that poor supplier selection, particularly ignoring past performance, is a major cause of delays and low-quality outputs in public infrastructure projects (Mrema & Kitali, 2023; Moshi, 2022; CAG, 2023). In the Iringa region, TARURA has lost over TZS 5 billion due to supplier failures, emphasizing the urgent need to integrate past performance into supplier evaluation (CAG Report, 2023; Mwakalinga, 2024).

In Tanzania, public procurement consumes a significant portion of the national development budget, with over 70% allocated to infrastructure projects such as roads (Swai, 2022). Despite this investment, many projects continue to experience delays, cost overruns and poor-quality outcomes, largely due to the selection of suppliers with inadequate past performance (PPRA, 2023; Ngowi, 2024). At the Tanzania Rural and Urban Roads Agency (TARURA) Iringa Regional Office, weak supplier evaluation and insufficient consideration of historical performance have contributed to frequent project failures, including roads that deteriorate shortly after completion (Swai & Ally, 2023). Data from the Controller and Auditor General (CAG, 2023) indicate that TARURA lost over TZS 5 billion in 2022 due to supplier contract failures, highlighting the financial and operational risks of ignoring supplier past performance. Studies have shown that suppliers with poor track records often fail to deliver projects on time, provide substandard work, or lack the resources to complete contracts effectively (Mwakalinga, 2024; Moshi, 2022). This persistent problem undermines public trust, delays

development goals and reduces the efficiency of government spending. While previous research has examined supplier selection broadly, limited studies have specifically investigated how past performance influences procurement effectiveness in the Tanzanian road sector, particularly at TARURA Iringa. Addressing this knowledge gap was critical for improving supplier selection practices. By understanding the effect of supplier past performance on procurement outcomes, TARURA can enhance project delivery, reduce financial losses and ensure that public resources are used effectively. This study seeks to examine how historical supplier performance impacts the timeliness, quality and cost-efficiency of public road projects in Iringa, providing evidence-based recommendations for better procurement decision-making.

## 2. LITERATURE REVIEW: THEORETICAL AND EMPIRICAL REVIEWS

The study was anchored on the Resource-Based View (RBV), introduced by Wernerfelt (1984) and expanded by Barney (1991), which emphasizes that organizations achieve competitive advantage by leveraging resources that are valuable, rare, inimitable and non-substitutable. In the context of public procurement, suppliers are viewed not merely as service providers but as strategic resources whose capabilities influence organizational success. RBV asserts that supplier attributes such as financial capacity, technical expertise and past performance constitute unique resources that enhance project outcomes (Nimako, 2020; Barney, 1991). For TARURA Iringa, selecting suppliers with proven past performance aligns with RBV, as such suppliers possess experience, systems and competencies that reduce procurement risks, improve adherence to timelines and ensure quality road infrastructure. This theoretical lens guided the study by highlighting the critical role of historical supplier performance in achieving effective and reliable procurement outcomes. Empirical studies globally and regionally consistently demonstrated the importance of supplier past performance in public procurement effectiveness. Rasmussen (2021) found in Canada that suppliers with a successful contract history were more likely to deliver future projects efficiently, recommending performance databases for supplier evaluation. In Africa, Baguma et al. (2018) and Karanja (2020) showed that past performance reduces procurement risks, improves compliance and enhances contract delivery in Nigeria and Kenya, respectively. Similarly, Chacha (2021), Okello (2022), Nyongesa (2023) and Kamau (2021) highlighted that suppliers with strong historical performance consistently achieved timely, high-quality outputs, while poor past records often resulted in delays or contract failures. In Tanzania, Nestory (2020) confirmed that historical supplier performance significantly influenced procurement outcomes at TANROADS, demonstrating that ignoring supplier history leads to repeated mistakes and inefficiencies. Despite these findings, gaps remain in systematically integrating past performance assessment into procurement processes, particularly in local agencies like TARURA Iringa, which motivated the current study to evaluate its effect on effective public procurement.

## 3. RESEARCH METHODOLOGY

The study was conducted at the Tanzania Rural and Urban Roads Agency (TARURA), Iringa Regional Office, chosen due to recurring challenges in selecting suppliers for road construction and maintenance, which had led to losses exceeding TZS 5 billion (CAG, 2023). The region's road network is crucial for connecting rural and urban communities, but poor supplier performance frequently causes delays and substandard project outcomes (Ally, 2023). An explanatory research design was adopted, guided by the Resource-Based View (RBV), which emphasizes that organizations gain competitive advantage by leveraging unique resources, including supplier past performance (Barney, 1991). The study targeted all 115 TARURA employees involved in procurement, of which 84 were selected for quantitative data using structured questionnaires and five key informants were purposively interviewed for qualitative insights.

Quantitative data were analyzed using descriptive statistics in SPSS, focusing on frequencies, percentages and modes, while qualitative interviews were examined through thematic analysis to complement and contextualize the findings. Ethical considerations were strictly observed, with formal approvals obtained, voluntary participation ensured and confidentiality maintained. This methodology enabled a systematic assessment of how supplier past performance influences the effectiveness of public procurement at TARURA Iringa.

## 4. RESULTS AND DISCUSSIONS

This section presents and discusses the findings of the study on the effect of supplier past performance on effective public procurement at TARURA Iringa Regional Office. The analysis focuses on how historical supplier performance influences procurement outcomes, including timely project delivery, quality compliance and cost efficiency.

### *Supplier Past Performance on Effective Public Procurement*

The analysis focuses on three key areas: the number of similar projects a supplier has completed, client satisfaction from previous contracts and the supplier's ability to deliver projects on time. By looking at these factors, the study aims to show how historical performance contributes to selecting reliable suppliers and achieving procurement objectives.

**Table 1: Supplier Past Performance on Effective Public Procurement**

Question	Response	Frequency (n=84)	Percent (%)	Mode
A supplier with more completed similar projects is more likely to ensure quality work.	Strongly Disagree	2	2.4	4.00
	Disagree	8	9.5	
	Neutral	18	21.4	
	Agree	54	64.3	
	Strongly Agree			

	Strongly Agree	2	2.4	
	1–5	6	7.1	
How would you rate client satisfaction with the supplier's past performance?	6–10	28	33.3	3.00
	11 or more	50	59.5	
	Low	11	13.1	
How often do past suppliers deliver services within agreed timelines?	Medium	37	44.0	2.00
	High	36	42.9	

Source Field data (2025)

### **Number of Completed Similar Projects**

Results in Table 1 show that the majority of respondents, 54 (64.3%), agreed that suppliers with more completed similar projects are more likely to ensure quality work. A further 18 respondents (21.4%) remained neutral, while 8 (9.5%) disagreed and only 2 (2.4%) strongly disagreed. Similarly, 2 respondents (2.4%) strongly agreed. The mode value of 4.00 indicates that the most common opinion was “Agree,” showing a clear pattern that respondents recognized the importance of experience in similar projects. This distribution demonstrates that more than six out of ten participants strongly associated supplier experience with higher quality outcomes.

These findings indicate that experience plays a critical role in supplier performance within TARURA’s procurement processes. A higher number of completed similar projects shows that a supplier has tested and proven their ability to handle comparable tasks. This demonstrates trustworthiness, competence and reduced risk of project failure. The neutral responses, although notable, may suggest that some staff believe other factors, such as financial capacity or technical ability, are equally important. Nevertheless, the dominant response emphasizes that past experience is a key criterion in ensuring the successful delivery of public projects. Overall, the data show that prior completion of projects strongly indicates a supplier’s readiness for new contracts.

### **The researcher conducted interviews with procurement officers to gain more insights into how experience influences procurement decisions.**

#### **One respondent explained:**

*“When a contractor has already completed several road projects similar to what TARURA is offering, it gives us confidence. We know they understand the standards required, the environment and the challenges. If we choose a supplier without that background, there are usually delays, errors, or even contract failures. Experience is what separates a reliable supplier from a risky one” (Interview with respondent C. 7/7/2025, 8:35 a.m.)*

#### **Another respondent added:**

*“We often prefer those who have done at least two or three projects with us or other government agencies. It proves they are capable of handling the workload and meeting expectations. We can also verify the quality of their past work and their adherence to timelines. This history reduces uncertainty in procurement decisions. Overall, prior performance gives us confidence in awarding new contracts” (Interview with respondent D. 7/7/2025 8:45 a.m.)*

#### **A third respondent noted:**

*“Suppliers with proven experience are easier to manage because they understand TARURA’s reporting and compliance requirements. They require less supervision, which saves time and resources. Their familiarity with similar projects also reduces the risk of cost overruns. We often see that experienced suppliers maintain higher quality standards throughout the project. This makes experience a vital factor in our selection process” (Interview with respondent E. 7/7/2025 9:25 a.m.)*

#### **Another respondent explained:**

*“Past performance tells us about a supplier’s reliability and professionalism. If they have consistently delivered projects on time, it indicates strong management skills and resource planning. We also learn how they handle unexpected challenges. Suppliers with little or no track record often pose risks that could delay road construction. Therefore, prior experience is a key criterion for awarding contracts” (Interview with respondent B. 7/7/2025 10:15 a.m.)*

These views underline the importance placed on project history when awarding contracts. By combining quantitative and qualitative findings, it becomes clear that the number of similar projects completed is regarded as a strong predictor of future performance. The survey results provided numerical evidence that most respondents believed in the value of prior experience, while the interviews gave deeper explanations of why it matters. Together, they show that suppliers with a history of completed projects are considered more dependable, efficient and aligned with TARURA’s quality requirements. This combined evidence provides strong justification for incorporating project history into supplier evaluation processes.

The findings of this study align with Rasmussen (2021), who concluded that past performance is a reliable predictor of procurement outcomes in Canada. Similarly, Karanja (2020) in Kenya found that suppliers with prior road project experience delivered better results and met deadlines more consistently. In the Tanzanian context, Nestory (2020) also emphasized the value of considering supplier history, noting that ignoring past performance often leads to repeat mistakes. The current study therefore supports the consensus across both global and African research that completed similar projects enhance procurement effectiveness. This confirms that TARURA’s emphasis on supplier experience is grounded in both local and international evidence.

### ***Client Satisfaction Ratings***

Results in Table 1 reveal that a majority of respondents, 50 (59.5%), indicated that client satisfaction with a supplier's past performance was rated at 11 or more. A further 28 respondents (33.3%) rated satisfaction between 6–10, while only 6 respondents (7.1%) rated it between 1–5. The mode value of 3.00 shows that the dominant perception was on the higher end of satisfaction, meaning that most respondents believed clients were generally satisfied with suppliers' past work. This distribution demonstrates that positive client feedback is a central factor in evaluating supplier suitability for TARURA contracts.

These results indicate that high levels of client satisfaction are seen as strong evidence of supplier reliability and effectiveness. Positive ratings mean that suppliers have consistently delivered according to client expectations, thereby building trust for future contracts. The relatively small percentage of low satisfaction ratings shows that underperformance is less common but still considered a warning sign in procurement evaluations. The findings clearly demonstrate that TARURA procurement staff place strong weight on customer satisfaction as an indicator of quality and accountability. This reflects the belief that suppliers who meet client expectations are better prepared to deliver successful projects in the future.

**To supplement the survey findings, the researcher conducted interviews with procurement managers to explore why client satisfaction matters in decision-making. One respondent stated:**

*"When clients are happy with how a supplier handled a project, it tells us a lot. It shows that the contractor listened, delivered on time and produced quality work. We always take such feedback seriously when awarding new contracts because it reduces the chances of disappointment" (Interview with respondent 7/7/2025, 11:15 a.m.)*

**Another respondent added:**

*"A supplier who has left a good impression with previous clients usually has a smoother relationship with us too. We know they understand the importance of meeting expectations and respecting the client's requirements. This is why satisfaction ratings guide us strongly in evaluations" (Interview with respondent 7/7/2025, 11:33 a.m.)*

These insights highlight the weight of client feedback in shaping procurement outcomes. By integrating both quantitative and qualitative findings, the results clearly demonstrate that client satisfaction is a strong measure of supplier effectiveness. The survey results quantified the prevalence of high satisfaction, while the interviews provided a deeper understanding of why this matters in procurement practices. Together, they indicate that TARURA considers suppliers with high client satisfaction as lower risk and more trustworthy for handling government-funded road projects. This alignment between statistical trends and managerial insights strengthens the conclusion that client satisfaction ratings are a critical evaluation tool.

The findings from this study are consistent with Baguma *et al.* (2018), who emphasized that suppliers with good performance records are preferred due to lower risk of failure and greater compliance. Similarly, Karanja (2020) in Kenya found that suppliers with high satisfaction levels consistently delivered quality projects and met deadlines. Rasmussen (2021) in Canada also noted that client feedback is a reliable predictor of procurement success. In the Tanzanian context, Nestory (2020) confirmed that ignoring client satisfaction often results in repeated mistakes and delays. This study therefore reinforces the established evidence that client satisfaction ratings play a key role in ensuring effective public procurement.

### ***Timeliness of Delivery***

Findings in Table 1 show that the majority of respondents, 37 (44.0%), rated suppliers' ability to deliver within agreed timelines as medium, followed closely by 36 respondents (42.9%) who rated it as high. Only 11 respondents (13.1%) rated supplier timeliness as low. The mode value of 2.00 indicates that the most common perception among respondents was "medium," suggesting that while suppliers often meet deadlines, there are still cases of delays. This distribution demonstrates that timeliness is a notable area of concern in public procurement at TARURA, with a balance between strong and average performance.

These findings indicate that timely delivery is considered a critical factor in achieving effective public procurement. The dominance of medium and high ratings suggests that most suppliers generally honor deadlines, though the presence of low ratings highlights persistent challenges with late deliveries. This means that timeliness directly reflects supplier efficiency, commitment and reliability in handling public contracts. Projects delivered late disrupt road construction schedules and increase costs, which undermines procurement goals. Therefore, evaluating supplier history on timelines serves as an important safeguard in avoiding project delays.

**To gain deeper insights, the researcher conducted interviews with procurement officials, asking how timeliness influenced their procurement decisions. One respondent explained:**

*"When a supplier has a track record of meeting deadlines, it makes our work easier. We don't have to push or monitor them too much because we know they respect the project schedule. Timely delivery allows us to plan and allocate resources more efficiently. If they consistently deliver on time, it reduces stress and prevents bottlenecks in ongoing projects. On the other hand, if someone has a habit of late delivery, we hesitate to consider them for new contracts because delays create pressure on our entire office" (Interview with respondent A. 7/7/2025, 12:15 p.m.)*

**Another respondent noted:**

*"Timely delivery is as important as quality. You may have a good product, but if it comes late, it affects road users and project budgets. For us, suppliers who respect timelines are more valuable because they ensure smooth progress of activities. Meeting deadlines also signals that the supplier is organized and trustworthy. Delays, even with high-quality work, can undermine the success of the project and affect future contracts" (Interview with respondent B. 7/7/2025, 12:20 p.m.)*

**A third respondent added:**

*“Suppliers who deliver on time show that they can manage resources well and understand project priorities. It makes monitoring and reporting easier for us as procurement officers. Timely completion reduces the risk of extra costs and conflict among stakeholders. We therefore give preference to those with proven punctuality. Meeting deadlines is a key part of evaluating a supplier’s reliability” (Interview with respondent C. 7/7/2025 12:30 p.m.).*

**A fourth respondent explained:**

*“On-time delivery affects the whole project schedule, from road users to internal planning. Suppliers who are punctual allow us to coordinate teams and equipment effectively. Late deliveries often force rescheduling, which can be costly and frustrating. That’s why we emphasize track records when awarding contracts. Suppliers with consistent timeliness are seen as dependable and professional” (Interview with respondent D. 7/7/2025, 12:50 p.m.).*

**A fifth respondent stated:**

*“Timeliness is one of our primary criteria when selecting suppliers. Even if the technical work is excellent, delays can compromise project objectives. Suppliers who consistently meet deadlines show good management and dedication. They help maintain trust between TARURA and contractors. Their reliability in delivering on schedule ensures smoother operations and reduces project risks” (Interview with respondent E. 7/7/2025, 1:15 p.m.).*

These statements show that timely delivery is not only about meeting deadlines but also about ensuring overall project efficiency. From both the quantitative and qualitative results, it becomes evident that timeliness is a decisive factor in supplier evaluation at TARURA. The survey results show that while many suppliers perform well in this area, there is still room for improvement. The interview findings provide context, showing why managers emphasize deadlines as much as technical or financial capacity. Together, these findings indicate that TARURA values suppliers who consistently deliver on time because they help maintain trust, reduce risks and improve project outcomes. This integration of data underlines timeliness as a non-negotiable factor in effective procurement.

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The results from this study align with Rasmussen (2021), who concluded that timely delivery in past projects strongly predicts future contract success in Canada. Similarly, Karanja (2020) found in Kenya that timeliness was directly linked to better procurement outcomes in road projects. In Nigeria, Baguma *et al.* (2018) emphasized that suppliers with records of timely delivery were consistently preferred in procurement decisions. Nestory (2020) also confirmed in Tanzania that respecting deadlines improves procurement efficiency, while delays often lead to repeat mistakes and costly interruptions. These comparisons support the conclusion that supplier timeliness plays a significant role in effective public procurement both globally and within the East African context.

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## 5. CONCLUSION AND RECOMMENDATIONS

The study concluded that supplier past performance including experience, client satisfaction and timeliness significantly influences effective public procurement at TARURA Iringa Regional Office. Suppliers with a proven track record of successful projects, high client satisfaction and consistent adherence to deadlines are more likely to deliver quality outcomes. It is recommended that TARURA formally integrate past performance evaluations into supplier selection processes, maintain performance databases and prioritize suppliers with reliable histories to enhance procurement efficiency, reduce risks and improve road project outcomes.

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