



# Problems affecting procurement performance in Metro Kalibo Water District

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## Abstract

The purpose of the study is to assess the problems affecting procurement performance that may be used to develop procurement methods and procedures for enhanced operational efficiency in Metro Kalibo Water District in the Philippines. The research design used in this study was descriptive-quantitative design. The respondents of the study were the ninety-nine employees of Metro Kalibo Water District. The study covered the period of one calendar year, from January 1, 2023 to December 31, 2023, and was limited only to demographic profile of employees, problems affecting procurement performance, and the measures to address the problems affecting procurement performance in Metro Kalibo Water District. The assessment of procurement performance at Metro Kalibo Water District is enriched by a diverse and highly educated workforce, including many with advanced degrees. This diversity provides a comprehensive range of expertise, with balanced input from both operational and managerial staff, and perspectives from employees with varying lengths of service. The distribution across different salary grades further enhances the multifaceted understanding of procurement functions. The Metro Kalibo Water District highlights the importance of effective procurement planning, clear procedures, staff competency, and adequate resource allocation. There is a significant relationship between employee demographics and procurement problems, as well as between these problems and the measures to address them, emphasizing the interconnected nature of these factors in achieving efficiency and transparency.

**Keywords:** *Metro Kalibo Water District (MKWD), procurement performance, procurement planning, procurement procedures, staff competency, strategic resource allocation*

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## **Introduction**

Marunda (2020) states that the public and other government service bodies require appropriateness in the materials, goods, and services offered by the public. The number of procurement entities working to promote effectiveness, efficiency, openness, and accountability among various user departments is growing. Under the Philippine Government Electronic Procurement System (PhilGEPS), the procurement function enables firms to plan, purchase, and distribute the resources they require to maintain their company operations, ranging from paper and pens to mobility items, IT systems and apps, security contracts, and consultants. In any organization, procurement is either the main or second-largest item of expenditure. Procurement is an essential function that helps shape corporate strategy and success. In the Philippines, the government spends billions of pesos on products and services for bureaucracy, projects, and citizen service delivery.

According to Hamza et al. (2016), procurement activities are frequently neglected, poorly coordinated, and lacking in free competition and transparency. Corruption can also arise in other procurement processes. It is typical to see a lack of skilled and qualified procurement specialists who can perform and manage procurements. Hence, this study aims to evaluate the Metro Kalibo Water District (MKWD) procurement process and its effective and efficient procurement methods that are consistent with the relevant rules and regulations. The study's objective is to identify the problems impacting procurement performance, which may be used to establish procurement processes and procedures for increased operational efficiency in Metro Kalibo Water District. By addressing the identified problems, the agency can establish a more effective and efficient procurement framework, benefiting both the organization and the community it serves.

## **Methodology**

This study was conducted using a descriptive-quantitative research design. A descriptive study cannot provide conclusive answers to why; it is only used to collect information on the current state of a phenomenon and to characterize "what exist" in terms of variables or conditions in a situation. According to Good and Scates (2014), it answers the questions who, what, when, where, and how. This form of research examines a situation or condition of things in terms of specific elements or causes. What can be described are features of persons or groups, such as perpetrators, victims, physical surroundings, and so on, or situations.

This study used a researcher-formulated questionnaire-checklist that was devised with the guidance of a thesis adviser, and using the work of Soriano (2022) as reference. The survey was conducted at Kalibo, Aklan specifically targeted the employees of Metro Kalibo Water District, a government-owned and controlled corporation in the Philippines.

Metro Kalibo Water District has 132 regular employees. The respondents of this study were computed using Robert Slovin's formula ( $n = N / (1+Ne^2)$ ). Hence, the respondents were ninety-nine (99) employees of Metro Kalibo Water District. The majority of the respondents have at least a college degree (65.66%), with 10.10% holding master's degrees. In terms of job positions, 59.60% are in 1st level positions while 40.40% are in 2nd level positions. Regarding length of service, 38.39% have been with MKWD for more than 15 years, and 19.19% for 11 to 15 years. Most respondents (60.61%) have a salary grade between 1 and 10, with 7.07% earning above salary grade 20.

The researcher has first sought permission from the General Manager of Metro Kalibo Water District allowing her to float the questionnaire checklist among the target respondents within the setting of the study. The researcher secured informed consent among the respondents and assured them of the confidentiality of their responses.

## **Findings**

The study identified several problems affecting procurement performance, with planning ( $X=4.44$ ), procedure ( $X=4.43$ ), staff competency ( $X=4.39$ ), and resource allocation ( $X=4.37$ ) being the key areas of concern. To address these issues, the suggested measures included improving planning ( $X=4.40$ ), procedure ( $X=4.44$ ), staff competency ( $X=4.37$ ), and resource allocation ( $X=4.35$ ). Statistical analysis showed a significant relationship between the demographic profile of respondents and procurement performance issues ( $R = 0.9498$ ), as well as between the identified problems and the proposed solutions ( $R = 0.2066$ ), both significant at the 0.05 level.

## **Conclusion**

The study addresses significant issues that influence procurement performance, such as planning, procedures, staff expertise, and resource allocation. The findings underline the necessity of thorough procurement planning, well-defined procedures, qualified personnel, and proper

resource allocation. Furthermore, the study demonstrates a substantial association between respondents' demographic profiles and the challenges influencing procurement performance, as well as the actions used to resolve these issues.

Planning, procedures, personnel expertise, and resource allocation are critical issues that must be addressed in order to optimize procurement performance. There is broad support for efforts to solve these concerns, which emphasize the importance of aligning procurement plans with company needs, creating clear procedures, improving staff expertise, and allocating necessary resources. Furthermore, the study discovers a substantial association between respondents' demographic profiles and the problems influencing procurement performance, as well as the problems and the steps taken to overcome them.

Several recommendations are made to improve and sustain the organization's procurement performance. Procurement planning must be strengthened through regular assessments and increased team participation. Improving procurement procedures by creating thorough, easy-to-understand rules and incorporating technology solutions would increase transparency and lower legal risks. Investing in staff competency development through regular training and mentoring programs will promote innovation and problem-solving abilities. It is vital to optimize resource allocation through regular assessments and improve communication between the procurement and finance departments. Finally, establishing Key Performance Indicators (KPIs), conducting regular reviews, and soliciting stakeholder feedback will ensure that procurement procedures continue to improve. Implementing these recommendations will improve MKWD's procurement performance by increasing efficiency, transparency, and overall effectiveness.

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