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# Municipalities in Motion: How Clustered Procurement Supports Municipalities Transition into Cities Case Study: USMID Programme in Uganda

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**Abstract** **Purpose** – The purpose of this paper is to define clusters and clustered procurement and critically discuss the role of clustered procurement in the evolution of municipalities to cities. **Methods and Methodology**– The research adopts a comprehensive consultation of literature review published sources and listening to voices of purposively selected participants. **Findings** –Clustered procurement is capable of contributing outwards evolution of municipalities into cities if policy makers integrate the concept in the national legal and regulatory framework for public procurement. To achieve this, it is essential that a guideline for implementing clustered procurement is developed and training on how to implement this concept before it can be rolled out for implementation across Ministries, Departments, Agencies (MDAs) and Local Government Administrations. **Research limitations** – Literature on the role of procurement in contributing to creation of cities and particularly in the context of clustered procurement has been limited. Some discussions that are related to joint bidding are only mentioned on the supplier's side but not extensively reviewed in accordance with the procuring end. **Practical implications** – The study provides in-depth knowledge on the working and benefits of clustered procurement in contributing to the transition of municipalities into cities. By incorporating clustered procurement in urban service delivery options, municipalities can secure quality infrastructure required to become and sustain city status. **Originality/value** – The paper provides fresh literature updates on clustered procurement and how it can help small and middle-sized towns transit into cities while highlighting with special focus to a multitude of traffic, communal and other issues of cities such as access roads, streets, sewerage, sidewalks, lighting, food and water supply, suburban and city transport that clustered procurement can provide

**Keywords** Clustered Procurement, Cities, Municipalities

## 1. Background

Municipalities like cities continue to manifest as a dominant force in any nation's economic growth and development journey across the world. While cities have existed for some time across the world, some states have over year's one city state while others have developed and continue to create additional cities. The terminology of cities is traceable from the prevalence of Mesopotamia (Mumford, 1961). Worldwide and over the years becoming a city has become an ambition for urban planners and politicians. In Uganda, municipalities transit into cities upon meeting certain criteria (Republic of Uganda, 2002). This transition has become a preoccupation of plans by municipality administrators and politicians. In consistency, this view is echoed by Duranton (2008) that argues that urban policy makers in developing countries have been preoccupied by two objectives; to make cities "work better" by improving their provision of local public goods, from sewerage to public transport and to limit urbanization, the movement of people from rural areas to already crowded cities.

While these dual objectives appear to have dominated the decision thinking menu of policy makers, a third objective is emerging. This objective is to create additional cities or expand the boundaries of existing cities. Today's challenge becomes more burdensome with the tripartite objective. While the dual objective has secured some strides, the latter objective is deemed a dream quite far away but achievable.

The transition comes along with demands created by growing population of urban dwellers by day and night. During the day, urban dwellers require mobility, security, green public spaces for relaxation, well-functioning and flexible transport network coupled with opportunities for making a livelihood through doing business or securing jobs. In the night dwellers demand security, light and above all a

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great night without interruptions. Other needs are silent but become pronounced from various definitions that define cities. For instance, place of 'fantasies and exotism', 'centres for commerce, politics and culture', 'a place where giantism manifests' (Jane Jacobs, 1932).

Delivering such city character has in several times been affected by limits of local suppliers to deliver the uniqueness of procurement requirements required by cities. It is argued that the variability of needs of a city make decisions making by urban managers, politicians and policy makers a nightmare that some scholars have concluded in defining cities as a 'laboratory of trial and error' (Fuller & Moore, 2017).

In Uganda, the dream of transiting from one city for the last 56 years came started close to decade ago. This dream is achieving momentum (National Planning Authority, 2010). To become a city that is liveable and cherished by dwellers, a city must provide services that meet the needs of the urban dwellers. Such services include: healthcare, electricity, education, jobs, and opportunities. Public safety and responses to climatic changes.

While traditionally devolved national governance systems enjoyed adequate financing from the central budget pool, constraints of the public purse are forcing public administrators.

This trend reinforces the need to rethink modes of economic, territorial governance and policy approach experimentation as the status quos has proven challenging in today's times where urban dwellers demands are ever rising. Amidst this context, designing and implementing new approaches necessary to move municipalities to cities are no longer a choice but a must.

One of such approaches has been consortium also known as 'clustered' procurement. The concept is derived from a wider concept known as clustering. The genesis of the concept is traceable studies associated with clusters that became dominant feature of the 3rd industrialisation phase. Today, clusters remain key in the 4th industrialisation stage.

Guo, Lao and Shen (2019) argue that clusters have gained acknowledgement in various fields. Clusters have been defined with varying notions. Randeva (2014) defines a cluster as 'voluntary union of enterprises'.

On the hand, Porter (1998) defines a cluster as 'a geographic group of companies, affiliated in a particular field and united by similarities and mutual complementation.

From geography, economics, urban planning, management science the concept since the 1990s is accepted as a value adding concept (Guo et al. 2019). In regional integration practice and literature, clusters like business networks are viewed as accelerators of job creation and economic progression transformation Hovart & Bogdanić, 2018. Clusters are further argued to be centres of competitiveness (Horvat et al. 2018). Synthesis of literature also reveals that clusters help to reduce transactional costs of each individual member, enable members to undertake research and quash individual limitations of members (Horvat et al. 2018).

Various studies have associated clusters with synergy, that implies extra benefits of working collaboration than individually (Fang, 2019: Graziano, Alexander, Liesch, Lema & Torres, 2019). In essence, it is argued that combined effort yield more positive outcomes than when individuals implement actions in soloism (Randeva, 2014).

Based on such views it is asserted that synergy remains the prime driver of clusters (Murrins, 2012). In the energy sector, Di Somma (2019) argues that clustering has been adopted in the energy industry to improve competitiveness of small firms. It is argued that by clustering such firms can reduce costs and emissions.

This view points to the role of clustering in supportive the global agenda for sustainability (UN Vision 2030). It is further argued that by clustering firms gain exposure from practices of other cluster members which helps them to innovate (Chandrashekar, 2019; Zang, 2019; Wang, 2019). Based on studies in the UK, USA, it was concluded firms that locate within g clusters are able to innovate much faster than their peers outside such location graphical proximity (Baptista & Swann, 1998). Similar studies undertaken by Aharonson, Baum & Feldman (2004) on firms in the Canadian biotechnology industry that located in clusters were able to innovate 8 times more than their peers outside clusters.

While internal firm interactions may spur innovation, it is argued that innovation is usually sparked by external exposure. This enables firms to challenge status quos and innovate. According to Chandrashekar (2019) this notion is responsible for increased clustering in the academia.

On the other hand, it is argued that since the 1990s, the concept of the industrial cluster has gradually gained acceptance in multiple fields; economics, geography, management science, procurement and urban planning, among others. Industrial cluster identification, as the first step in industrial cluster research, plays an important role in subsequent empirical analysis. Early-stage cluster identification research mostly focused on case studies; currently, the hotspot in this field has shifted toward quantitative research at a larger spatial scale (Delgado et al. 2016). Identifying industrial clusters by considering both geographical proximity and industrial relevance arouses scholars' interest in cluster identification; however, greater efforts are still needed given a lack of comprehensive methods.

Consortiums in public service delivery have existed for decades but are gaining momentum. Szydlo (2018) defines a consortium as 'is an organization of several entities (typically of business nature) created for a definite period and for a specific purpose which is, typically, acting jointly to deliver a specific (often risky) business project or venture which, due to its financial potential, excess the capacity of one entity.' Consortiums can either be formed by prospective suppliers in form of joint bids and on the other hand, consortiums can be formed on the supply side by procuring organisations and are commonly referred to purchasing consortia but increasingly referred to as procurement

consortia.

In Poland the most common consortiums have existed in the supply side where bidders come together as in form of a joint venture to increase their capacity and experience to winning a bid Szydlo (2018). Czerwinski (2015) notes that in Poland, a consortium is ‘‘consortium in the Polish legal system is an organizational relation established by an consortium agreement by business entities (referred to generally as consortium members, participant, or partners), which undertake jointly strive to achieve the desired economic goal, through concentration of capital, experiences of participants in the field of organization, management and realization or through provision of intellectual potentials (know-how, patents)’’.

In the United Kingdom, consortiums have been prominent from the demand side (Taplin et al, 2018:2017). Notably, institutions that have adopted demand side consortiums have included demand side National Health Service (NHS), Schools and Libraries, (Taplin et al., 2018). In Mexico & Jordan, it is argued that by centralising procurement spend on drugs at national level, savings ranging from 2% to 17% have derived by national governments (Seidman et al., 2017).

Countries such as Kuwait, Bahrain, United Arab Emirates, Qatar, and Oman have evidenced savings from combined procurement and tendering process, Seidman et al (2017). In Uganda and India, savings have been achieved through centralised consortia internally (Millington et al, 2017). A review of literature indicates that joint procurement schemes are popular in the healthcare industry. Brazil and Serbia like other national governments have secured savings from joint procurement schemes.

According to Seidman et al (2017), joint procurement schemes have attracted savings of up to USD$121.8 million in Mexico in procurement of drugs. In the EU, the importance of consortium procurement is recognised. This is justified by existence of independent consortium procurement regulations in countries such as Finland, the United Kingdom and France (Wojciech, 2018). In Italy, pooling to form a Consortium is allowed under permitted in accordance with Art. 89 of Italian Legislative Decree 50/2016 as amended and supplemented.

In East Africa, there is some recognition of benefits of centralised and consortium procurement but robust legislation exists in limits. But silent attempts to legalise consortium procurement exist, guidelines to regulate consortium procurement practice have not manifested. This is evidenced by existence of guidelines and standard bidding documents clauses that allow joint bidding on the supply side.

Universities have formed demand side purchasing consortia to procure books and learning materials together. This has been popular in Uganda, the UK, and South Africa. In the context of PPPs, supply side procurements consortiums have existed but commonly referred to as special purpose vehicles (SPVs).

An SPV is a semi-autonomous that is registered in the country of operation of a public private partnership (PPP) by winning joint bid members when implementing PPPs (Smith et al,. 2007; Zou et al,. 2014; Daube et al,. 2008; Zang, 2005; Fischer et al. 2015, Evans, 2005, Broadbent et al, 2003). While SPVs to a great extent been dominated by joint ventures, at times SPV have constituted one company.

Various scholars have also attempted to define purchasing consortia. In defining consortium some authors have focused on upstream (supply) side consortium that involves bidders coming together to develop and submit a joint bid.

While on the other hand, others have focused on midstream consortium. In the midstream, procuring organisations come together to source standardised procurement requirements (Howard, 2001). On the contrary, Karjalainen (2011) views such practice as a mere hybrid structure. In line with this view it is argued that such a structure exists when centralised and decentralised structures combine for purposes of ordering, negotiation and pooling of contract management expertise (Karjalainen & Weele, 2014). It is further argued that in such structures, the central structures acts act on behalf on the decentralised structures. Accordingly, it is argued that this is possible when parties to hybrid structures agree to a framework agreement that supports sourcing of standardised procurement requirements for all members (Karjalainen & Weele, 2014).

Various studies reveal that the success of a consortium procurement strategy will be influenced by several factors. According to CIPS (2015) consortium procurement succeeds when members of the consortia possesses standardised procurement requirements and mutual objectives. In the UK, Poland and France, a legal and regulatory framework for guiding the entry, implementation and exit of consortia is critical (Szydlo, 2018 & Taplin et al, 2017). Elsewhere, formalisation of the consortia has been formed by some form of homogeneity. The requirement for homogeneity is promoted by various scholars in but varying dimensions can take the form of specifications, objectives, joint policy, mutual objectives for joining up together (Babiarz et al. 2013; Graells, 2011; Muchowska-Zwara, 2015; Opal ski, 2015; Czerwinski, 2015).

Legalising the consortium is arguably viewed as a key success factor (Ball, 2003). By legalising a consortium, capacity to contract is gained. While it is not conventional that a requirement that bidders legalise a consortium at the time of bids if the joint bid members are considered the best evaluated bidders it is usually required that they register the consortium as legal entity before contract signing and award (Szydlo, 2018). Once registered, the consortium operates should operate independently.

Unlike for midstream consortiums, upstream consortiums do not require homogeneity but instead require synergy created by combination of joint bidding members. It is argued that members of the consortium should be create a joint pool of knowledge experience, staff expertise and financial capacity, necessary to achieve synergy to win contracts (Horubski et al, 2014).

# 2. Problem

As per plan, GoU seeks to review the architecture of government service delivery system to act as a unit, harness synergies and deliver public services efficiently and effectively. Among other strategies include; pursue policies aimed at leapfrogging especially in the areas of science, technology, innovation, and engineering; human resource development; public sector management; and private sector development.

To achieve this, government has secured some strides in some areas so far.

One of such has been clustered procurement strategy. Existing literature suggests that clusters are a catalyst for national transformation. While clusters have been implemented in public procurement, a review of literature suggests that little is known on how the concept has been implemented, its benefits, and challenges. Based on this background, this study sought to explore how the concept of clustered procurement strategy is implemented in Uganda and how it is supporting municipalities in their journeys to become cities by 2040.

# 3. Methodology

The study draws data from 10 out of 14 municipalities participating in the USMID programme. Ten (10) participants were also chosen from the respective municipalities to participate in the study. As a qualitative research, the choice of participants was limited to a small number. This was aimed at collecting rich, accurate and complete data. Cox (2019), Paton (2014) and Yin (2016) recommends small numbers of participants for qualitative research.

Telephone interviews were used to collect data from study participants. Responses were solicited from eight (8) out of the 10 participants.

The study is guided by research questions. **RQ1:** How is consortium procurement operationalized in USMID municipalities? **RQ2:** How has clustered procurement strategy enabled your entity in working towards becoming a city by 2040? **RQ3:** What have been the challenges faced using consortium procurement in USMID municipalities. Vision 2040 aims to develop strategies that include multi-lane paved national road network linking major towns, cities and other strategic locations. Active listening is adopted to provide encouragement in digging deep into the conversations. Statements such as 'Hmmm', 'I understand ',' continue', 'great strides', 'really' are adopted to develop dyadic relationships and creating an environment that incentivise deeper discussion. To gain deeper voices in qualitative studies, this approach is recommended (Davis, 1986; Mansfield, 1991; Ralph & Thorne, 1993; Rautalinko & Lisper, 2004). By showing interest in feelings of the study participants, a relationship with study participants was developed enabling the study to retrieve extended opinions from participants.

# 4. Findings and Discussion of Results

**Case Study: Uganda Support to Municipal Infrastructure Development Programme (USMID)**

USMID is a programme implemented by the Government of Uganda in support with the World Bank. The programme's, objective is to enhance institutional performance of municipal councils. The initial cost for the first phase was US$136million. US$126million was allocated as municipal development grants for infrastructure investments and US$10million as municipal capacity building grant for capacity building while US$24 million was retained by the Ministry of lands, Housing and Urban Development to support capacity building activities for urban development and overall programme implementation. The project was implemented by the Ministry of lands, Housing and Urban Development. The project consists of two phases, each taking 5 years. The first phase has been completed. The programme intends to strengthen capacities of selected municipalities in areas of fiduciary safeguards, urban planning and own source generation. The project was also intended to increase total planned infrastructure completed by 14 municipalities, including enhancing capacity of lands ministry in development, management and backstopping for implementation of the programme. The first phase was completed in December 2018. 11 out of 14 municipalities that participated have registered increase in own source revenue generation. The project involved revamping of old roads, improving street lighting, drainage systems. These projects were procured under clustered procurement approach. Overall, a total of 53kms of two lane roads were constructed in all municipalities including associated covered lined drains of 59kms and 70.5kms of open lined drains. Others infrastructure developments included 672kms of pedestrian walkways, 25.2kms of cycle lanes, 43.5kms of parking lanes, 1618 solar street lights and 677 trash cans to manage litter (USMID 2019).

# 5. Findings from the Study

**HOW CONSORTIUM PROCUREMENT IS BEING IMPLEMENTED AMONG USMID CLUSTERS**

To gain a deeper understanding of how clustered procurement was operationalized, we engaged in deep conversations. Findings that a systematic process is followed when implementing clustered procurement in the USMID programme context reveal that several stages are followed in implementing consortium procurement in Uganda.

**Stage 1: In this case the coordinating Ministry,** the Ministry of Land, Housing and Urban Development upon receiving of funds from the project funder releases circular to participating municipalities requesting their line Ministry in this the Ministry of Local Government them to procure project components under cluster. In this case, findings reveal that project components were installation solar lighting in streets, drainage channels and expansion of roads.

This practice demonstrates that participating members had standardised or similar requirements. This practice is supported in literature by Howard (2002), Babiarz et al. (2013), Graells, (2011) Muchowska-Zwara, (2015); Opalski, (2015) & Czerwinski, 2015) that argue that procurement cluster members must have some form of homogeneity. They further argue that homogeneity can take the form of specifications, objectives, joint policy, mutual objectives for joining up together.

**Stage 2. Convene series of meeting with coordinating team (PST)**

The coordinating team Project Support Team comprising of Ministry of Lands, Housing and Urban Development, Ministry of Local Government, Ministry of Finance, Planning and Economic Development, Inspectorate General of Government, Uganda Urban Authorities Association (UUAA) would hold series of workshops to plan, secure buy in and oversee the implementation of the projects across selected municipalities. The Accounting Officers and procurement teams would then be involved to share and provide input to the plans. Delegated authority is given to the lead cluster member to place advert, handle bidding, hold pre bid meeting receive, and open bids.

**Stage 3: Develop Designs, Cost and Develop Bidding Documents**

The Ministry of Lands, Housing and Urban Development would then hire services of a consultant to develop designs, cost and develop bidding documents for recruiting supervisors and contractors for the various selected projects for all members of the cluster. The output of such process such as costed designs would then be shared with members of respective clusters. If there were no comments, respective contracts committees from clusters would send in a notice of approval alongside with nomination of member (s) to constitute joint cluster evaluation committee. Upon receipt the coordinating Ministry would then make a combined advert for procurement of a contractors for various clusters of works. Workshops are attended by users, procurement, environment, community, administration sections and mayors as representatives from each cluster member's procuring and disposal entity.

**Stage 4: Bid Closing and Opening**

Pre bid conferences or clarifications, bid closing and opening are handled by in cluster by the lead cluster member with delegated authority from Accounting Officers from cluster members.

**Stage 5: Bid Evaluation**

Bid evaluation is undertaken by 9 members representing each cluster by equal share of representation. Bids are then evaluated, reports developed and submitted to contracts committees of the participating members who are required to approve the outcome. Should any member reject the report, they will then write to the evaluation team to review complaint logged by participating bidders.

**Stage 6: Approval of Bid Evaluation Report**

Each respective cluster member has to make sure that its contracts committee approves the report before the next stage takes place.

**Stage 7: Due Diligence (evaluation team)**

Each municipality member will then manage the notification activities such as due diligence, receive and investigate administrative reviews and provide associated feedback, secure necessary approvals. Activities such as negotiation and contract drafting are undertaking in the cluster. The draft contracts and negotiated outcomes will then be circulated to municipality members for review and consideration.

**Stage 8: Notice for Contract award and Contract Signing**

Once the evaluation is complete, each municipality member signs its own contract with the best evaluated bidder for its own procurement lot. Elsewhere, Poland, France and Italy, contracts are signed by the cluster since it is legally registered and has legal mandate. In the absence of legality, consortiums may not sign contracts with suppliers because of their legal status. This view is supported by Ball (2003) that argues that legal capacity is important if consortium should sign contracts on behalf of its members. Unlike for PPPs where it is mandatory the winning bidder registers an SPV that can later contract with the client, unregistered consortiums cannot do not have capacity to sign contracts.

**Stage 9: Contract Management**

Each municipality is then required to manage its own contract through to exit, develop reports for submission to the coordinating Ministry.

Contract committee approved the customized bidding document, advertisement under delegated authority of the other municipalities under cluster. Stage 4. Bid evaluation is done as cluster, report produced and presented to the respective contracts committee for approval.

## HOW CONSORTIUM PROCUREMENT IS ENABLING THE TRANSITION OF MUNICIPALITIES INTO CITIES

Findings from the study point to quality, capacity and synergies of skills in handling complex construction projects. While quality was achieved through improved specifications and input to contract management provided across participating municipalities.Responses from cluster participants from Gulu, Jinja Arua, Soroti and Mbale indicate that by developing specifications together, municipalities enjoyed synergies of experience sharing in areas such as procurement of complex works and consultancy services such as undertaking of feasibility studies. CIPS (2015) promotes such similar view. Cities require infrastructure that presents exceptional quality. By procuring quality requirements in form of services, supplies and works, municipalities can achieve quality procurement deliverables such as roads without potholes, reliable street lighting, and necessary for liveable cities.

On other hand, it is noted that at municipality level, some municipalities were not familiar with recruitment of consultants to supervise road construction. By procuring through clusters participants reveal strides. Statements such as ‘’we were able to acquire skills for recruit and manage road work’ ’were common. Other statements such as

*‘I am now familiar procuring consultancy services for contract supervision’* were popular.

This achievement contradicts previous studies on purchasing consortium that view such practice as being implemented to squeeze suppliers with the objective of securing process and cost efficiencies across the supply chain. Previous studies have opined that consortiums have been established to squeeze suppliers (Aylesworth, np).

Members of the clusters argue that by committing to procure together under consortia for high end complex infrastructural projects, municipalities are likely to become attractive to funding agencies like the World Bank and the African Development Bank (AfDB). Members believe that funders wish to derive efficiency gains from the support provided to municipalities. Due to the potential to derive savings from procuring together, funders are likely to commit their funds and continue financing development commitments by municipalities.

Probed on whether numbers of what was saved by procuring together were known to members, participants reveal that despite knowing the numbers in absolute terms, it is revealed that by being exposed. While findings of studies may be congruent with existing study outcomes or inconsistent with existing studies, this finding appears to be non-existent but relevant to study of clusters in general and in the context of procurement. However, a closer view exists in the PPP context where it is argued that by undertaking joint bids, members of a prospective spv are able to increase their chance of winning contracts (Smith et al, 2007; Zou et al, 2014; Daube et al, 2008; Zang, 2005; Fischer et al. 2015, Evans, 2005, Broadbent et al, 2003). Cities require expansion of roads, lighting, leisure parks, museums and urban furniture that do not necessarily provide a basic function but are required to generate fantasies, amusement, support political agenda and commerce. By attracting funding for clustered procurement in form of grants and long term loans, municipalities can escalate their speed in achieving city status.

Findings from the study reveal that clustered procurement strategy involved expansion of drainage channels and construction of new ones. In Gulu, participant reveals that; ‘unlike Kampala, there is limited water logging and garbage and associated unpleasant smell that litters streets during the rainy season especially during rainy seasons’.

According to Brighenti & Pavoni (2019), urban places must be sanitised from ‘’un pleasant sensory and aesthetic manifestations’’. In similar thought, it is argued that urban spaces are defined by the sensorial and aesthetic manifestation. Weak drainage systems can make a city filthy, unnatural and unliveable (Emordi, 2008). Maintaining a good city environment requires tackling the drainage challenge. Findings from the study reveal that by joining the clustered procurement strategy of the USMID programme, municipalities have been able to procure closed and open drainage channels covered lined drains of 59kms and 70.5kms of open lined drains that have helped to reduce water logging and flooding. This creates an environment that is desired by city dwellers whose majority is are characterised as affluent dwellers and visitors (Emordi, 2008).

Through support from the World Bank and experience of pooling knowledge to procure together more especially learning from others how to evaluate complex projects. Participants of the study reveal that they have been able expand off roads. For instance in Gulu, it is revealed that 14 roads covering 14.3kms have been built and 1,063 solar lights installed. On the other hand, in Hoima, 7 roads were constructed, walkways and a parking lane, including 113 street solar lights that have been installed and dust bins put in place. Cluster participating municipalities now have widened roads that are intended to ease traffic flow of vehicles, street lighting has been enhanced and robots provided coupled with construction of sidewalks. Jacobs (1962) argues that cities constitute of people who work like machines. By virtue of this characteristic, traffic must flow with ease. It is also argued that cities must focus their resources on key issues that influence the daily life of dwellers.

One of such issues transportation and mobility among other issues that later influence resilience, competitiveness and economic development. Further still, it is argued that transport systems in cities should possess good design of sidewalks, lighting and green areas among others (Bula, 2019). World Bank (2002) also notes that cities continue to face major challenges that need urgent attention. In providing this assertion (WB, 2002), non-motorised transport and pedestrians are stably underserved. This makes streets vulnerable to manifestation of wars arising from struggle to use roads, accidents and congestion. In the same line, it is argued that cities and growth comes alongside with an upward shift in traffic congestion. By providing improved urban infrastructure, clustered procurement strategy has helped to provide level of diversity of use to urban dwellers. While the extent to which traffic congestion has reduced was difficult to ascertain, participants note that street lighting, findings reveal that through the project, 53kms of two lane roads were constructed including 67.2kms of pedestrian walkways, 25.2kms of cycle lanes, 43.5kms of parking lanes. Such infrastructure is argued to be a critical element in improving mobility in urban space.

Conversations with study participants reveal that by consolidating procurements, municipalities are able to attract big firms that couldn’t bid as procurement requirements for single municipalities were deemed by big contractors not to be making business senses. It is further argued that by attracting big firms good quality procurement deliverable have been achieved. However on the contrary, despite failure to attract foreign firms in one of the municipalities, Mbarara local contractors delivered better quality. By being able to

procure good quality procurement deliverables, cities form centres of the best. This enables cities ratify their giantism, fantasies and amusement.

Participants also reveal that urban centres are now able to attract investment. Cities are known as centres of education, politics and commerce (Hall, 2000, Kennedy, 2011; Amin & Graham, 1999; Pickard, 2013; Montealegre & Sánchez, 2019).

This view is also promoted by Khan and Zaman (2018) that argue that cities are centres of innovation, commerce and culture. By being able to attract investment, municipalities gradually evolve to become centres of commerce in essence cities.

**CHALLENGES FACED IN IMPLEMENTING CONSORTIUM PROCUREMENT AMONG SELECTED MUNICIPALITIES IN UGANDA**

Like elsewhere, despite the strides that clustered procurement has secured several challenges have been encountered. Based on interviews, the study reveals four key challenges have been faced while implementing the clustered procurement strategy under USMID programme.

One of the major challenges that have been faced was design issues of the road infrastructure. This was emphasized by Procurement Officer at Gulu Municipality

> *'in some instances, the design would end up leaving the shops on altitudes, several feet above the road surface. This was not acceptable. In municipalities such as Mbale, this was common and resulted into redesigns that have contributed to delays in completion of road works within the municipality.'*

While the designs where developed centrally by a consultant recruited by Ministry of Lands, the coordinating Ministry for the strategy, it appears that the consultant ignored the impact of such design on economic livelihoods. By developing such design, not only would the municipalities building owners miss business due to ease of access of their shops but the Municipality revenue would be affected as the affected shops would not resist paying the same amount of trading licencing fees wit shops that were on the same gradient with the roads, in essence having better access two walk in customers. Despite this being a challenge in some clusters, clusters like one where Jinja Municipality was involved was able to remedy the defective initial designs by causing a review before the construction works began.

Other emerging challenges include political interference. It is revealed that politicians tend to engage in roles of technocrats such as the Accounting Officers, Engineers, Users and Procurement. The situation yields conflict of roles. Participants reveal a certain instance, councillors stormed a room in an office where draft bid evaluation report was being compiled and confiscated documents. While the bids were returned without being tampered with, the act was not appropriate and should be avoided. To gain deeper insight we asked the participants if councillors knew their role in public procurement. The response we got points to the view that while politicians know the extent of their role in public procurement activity, self-interests and power euphoria tends to dominate logical actions by politicians in procurement processes at times. This view is consistent with other similar studies (Naphade et al. 2011). In survey studies undertaken by Thai (2001), it is also revealed that public procurement is prone to what he terms as political favouritism. To curtail the conflict and intentional overlap of stakeholder functions procurement process, procurement processes ought to be transparent.

On the other hand, findings reveal that structural challenges existed. While in a procurement consortia, parties act as principals on behalf of other members, this is deemed to have been difficult. Probed further, on why this was not possible, participants reveal that at times disagreements would arise during the valuation process and given that members were from different entities and had different interests, when disputes came in they took longer time to resolve than if the procurement was to be handled by a single entity.

Findings reveal also reveal that there were higher administrative costs incurred in evaluation. Such costs included hiring hotels, per diems and transport mileage costs. In most cases the lead member of the cluster as a host would incur more costs. By incurring more costs, it's likely that in future being a cluster ahead would become unattractive. This would deny some entities chance of learning from lead members since the lead member has more experience than other members in the cluster.

# 6. Conclusions

In Uganda, municipalities evolve into cities. To become a city, urban managers and policy makers need to understand what a city requires and develop strategies to deliver what the city dwellers and visitors require. This study concludes what forms cities is known. The study concludes that while other strategies may exist to support municipality transition into cities, clustered procurement strategy stands out as one of the key strategies that urban managers, policy makers, regulators and political leadership should consider for creating and sustaining cities. By co joining effort to deliver most desired city infrastructure and related furniture such extended kms of road, drainage channels, parking lots, sidewalks street lighting, and municipalities join candidates to become cities, since more cities can be born out of municipalities. This in the end will assist Uganda leapfrog from being a single city state to an eight city state by 2040. The study also concludes that clustered procurement strategy requires commitment.

# 7. Recommendations

While clustered procurement has been a strategic tool towards achieving infrastructural developments that are necessary for municipality's transition into cities, the tool can be enhanced through several recommendations.

**Develop regulation to mainstream clustered procurement as a mechanism in Uganda's public procurement.**

Participants argue that by creating a guideline to support the implementation of clustered procurement strategy, other procuring and disposing entities can benefits from the tool. In developing this regulation, benchmarking EU Procurement Regulation 2016(b) on partnership procurement as cited by Eadie & Potts (2016) may be explored. Other benchmarks include; collaborative defence procurement in EU.

**Knowledge management.** The clustered approach under USMID has achieved great strides but which appear to remain silent in the public communications mix. Resolving this challenge requires that USMID Secretariat and PPDA develop a compendium of case studies of unique procurement experiences like such across the country and develop a compendium of Innovative Public Procurement practices that would be hosted on the public procurement regulators website with links with coordinating agencies like USMID. Such similar practices have been adopted by public Private Partnerships Units across the world and have provided enormous support to new implementers of PPPs across the globe. By developing and retaining such knowledge other municipalities can learn from experiences in case studies to improve urban planning and support urban dwellers and visitors. Case studies should include information about how clustered procurement was conceptualised, its process, stakeholders and stakeholder management, tendering, challenges, change management and contract management processes.

While there was an attempt to share information within any given cluster, it appears there was limited evidence to suggest real-time sharing of information among other clusters. To improve sharing information among multiple clusters requires adoption of technologies such as a Whats app page for members can help.

Such approaches have helped members of professional bodies such as the Institute of Procurement Professionals of Uganda (IPPU) share practices, challenges and strategies for managing procurement related problems and opportunities in Uganda. Wani, Rabah, AlFadil, Dewanjee, & Najmi, (2013) argue that use of staff in a surgery environment has helped to provide instant support in handling patient issues.

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