

Challenges Faced By Local Suppliers and Contractors In Accessing Contracts in Copperbelt Mining Firms

A Case of Kitwe

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Samahongo Claude

School of Business

Information and Communications University

Lusaka, Zambia.

samahongoclaude@gmail.com

Mr. Kelvin Chibomba

School of Business

Information and Communications University

Lusaka, Zambia

Kelvin.chibomba@gmail.com

ABSTRACT-

Private procurement market in Zambia like other countries worldwide deal with a wide range of supplies. Though these contracts vary mainly in size, some are clearly within the capabilities of Small and Medium size Enterprises (SMEs). However, local suppliers and contractors are side-lined from participating in private procurement despite their qualifications, sizes and level of production and despite this preferential treatment of local suppliers and contractors, comparative tallies of private contracts secured by local suppliers and contractors in Copperbelt District against those secured by large enterprises are still very small. The study examined the challenges that local suppliers and contractors in Kitwe District face when bidding for tenders and it seeks to determine why they risk losing tenders. In this research 50 participants were approached using questionnaires. The data collected was qualitative in nature and was analyzed using Business Intelligence software as an analysis tool to establish the results to the study. Quantifiable findings obtained from questionnaires will be codified and analyzed using. The study established that there is a clear Legal/Regulatory framework established in the country to knob private procurement though these guidelines are not open to public scrutiny. local firms encounter

financial challenges which include financial access, thus makes it difficult for upcoming local firms to compete with the established players ultimately discouraging their participation. Business Information is not adequately available as most respondents were not aware of its existence thus poor access to the little information availed to them. Recommendations were made to the Local suppliers and contractors, mining firms and Ministry of Trade and commerce to; amend or introduce the necessary legislature that would give most of these regulatory bodies enough access to business information to the actual local firms. When considering tenders, should give primary attention to the client capability to pay for the work, project size, information access and the Technical capabilities. local firms should not rely solely on their relationship with the project stakeholders to obtain tenders, but should rather build their reputations, performance, technical competence and managerial capabilities. Industry can support and nurture suppliers with potential. mining companies need to initiate supplier support and upgrading programs that attempt to address the capability gaps of local businesses by providing management skills, access to finance, enhanced computer literacy, and an understanding of the mine's procurement processes and requirements.

I. INTRODUCTION

This paper sought to highlight Challenges faced By local Suppliers and Contractor in Accessing Contracts in Copperbelt Mining Firms.

Tendering in business is a recognized way of competing with other businesses for a project contract. The hiring company examines and compares tender proposals from the different businesses to choose the firm with the best overall proposal. tendering is used for many types of business work and supplies that range from construction projects to medical equipment. Companies inviting tenders from contractors or suppliers usually specify how the winning tender will be chosen.

Tender procurement is often handled by the purchasing agent for the company seeking a product or service. This person has the authority to award contracts to suppliers of the winning bid. The Public procurement contracts in Zambia like other countries worldwide covers a wide range of supplies, services and works required by governments, local authorities and public organizations, utilities and agencies. Whilst these contracts vary hugely in size, some are clearly within the capabilities of Small and Medium size Enterprises (SMEs). The Zambian government through its Private Sector Development Strategy is seeking ways to promote competition, innovation and Value for Money (VFM) in the delivery of public services MOTI, (2007).

According to Simbiri (2012) improving procurement process through enhancement of the participation of SMEs in the public procurement market is one way of achieving this. Much could be gained by enabling more local suppliers and contractors to compete. The benefits to the public sector can include better levels of service, innovative business solutions and increased competitiveness in the longer-term in return local contractors and suppliers could gain by having access to a large and stable market. Local suppliers

and contractors may offer better value for money than larger suppliers by bringing greater competition to the marketplace, lower costs and innovation.

Small and Medium Enterprises have been defined in various ways, but the most commonly used criterion is the number of employees in the enterprise Kayanula & Quartey (2000). In Zambia, Small and medium enterprises or small and medium-sized enterprises are companies whose personnel numbers, working capital and assets, annual turnover fall below certain limits. The definitions used to describe the local suppliers and contractors in Zambia are based on employment size. According to the National Baseline Survey, 1999 a micro-enterprise is defined as having more than 10 employees; a small enterprise with 11-50 employees and a medium/large enterprise with more than 50 employees. Small and Medium Enterprises are small in nature - either in terms of number of (a) employees (b) capital and assets - limited working capital and assets and (c) turnover - the overall turnover of the enterprise is small, compared to larger businesses. Most Local suppliers and contractors have a single owner who could also be the sole employee.

The 'single' also refers to single products produced or service provided. SMEs are essentially local in nature - their market is usually localized to the area where they are located (same city, district or state); or may be 'local' in the sense that they operate from a place of residence. International Journal of Academic Research in Business and Social Sciences December 2013. According to Zambia's economic blue print, the Economic Recovery Strategy for Wealth and Employment Creation, the country's government has recognized that high cost of engaging in productive activities, high cost of capital, lack of support services and weak institutions hinder the growth of SMEs. Thus, the term small and micro enterprise covers the range of establishments, including informal economy activities that include one or more persons and

enterprises in the formal economy employing up to 50 persons.

The Ministry of Commerce, which is the lead government agency for the SME sector, makes provision for both formal and informal enterprises employing 1-50 employees. Always, starting and operating a business entails taking a great risk and therefore a possibility of success as well as failure. Moreover, due to the small size of medium enterprises, a simple management mistake may likely lead to sure death of a small enterprise hence no opportunity to learn from its past mistakes. Poor management, lack of planning and improper financing have been posed as the main causes of failure of small enterprises Bowen, (2009). Lack of credit has also been identified as one of the most serious constraints facing SMEs and hindering their development Oketch, (2000). The local suppliers and contractors have the potential to grow into large companies that support the Growth Domestic Product (GDP) growth and check unemployment if they are encouraged by the government policy or public procurement authority. According to King, (2002) education is one of the factors that impact positively on growth of firms. The entrepreneurs with larger stocks of human capital, in terms of education and (or) vocational training, are better placed to adapt their enterprises to constantly changing business environments creamer medias Mining weekly 24 May (2013).

Small and medium-sized firms are the drivers of the Zambian economy. SMEs are recognized as contributing to the distribution of wealth, as they allow the middle class to emerge and contribute to the solution of regional economic imbalances given their greater flexibility in terms of location. This promotes economic development and improves people's lives Chen, (2008). Despite this important economic role local suppliers and contractors play in Zambia, local suppliers and contractors Continue to face many challenges as they try to propel economic growth of an economy. Private sector

procurement is usually controlled by the head of the company or a department they have established. Usually, the person needing a supply just asks for permission to buy it. It ranges from the purchase of routine supplies/services to formal tendering and placing contracts for large infrastructural projects by a wide and diverse range of contracting authorities Lysons & Farrington, (2006).

The legal framework upon which public procurement is done is the EU Directives/2004/18/EC KAM, (2008). Zambia Public Procurement Act 2008 (art.26&28&63). Currently Zambian Government is developing policies that are geared toward supporting Local suppliers and contractors sector growth for helping them to boost participation in mining contracts and hence the overall national economic development. Despite this preferential treatment of local suppliers and contractors by government through allocation of 20% of contracts to local suppliers and contractors, a comparative tally of private contracts secured by local suppliers and contractors s in Copperbelt against those secured by large enterprises are still very small Mining Journal, (2016). The choice of Copperbelt District to be covered by the study was thus based on the fact that generally many Local suppliers and contractors are still not securing Mining Contracts. The term SME covers a wide range of definitions and measures, varying from country to country.

Although there is no universally agreed definition of SME, some of the commonly used criteria are the number of employees, value of assets, value of sales and size of capital as well as turnover. Among them the most common definitional basis used is employees because of the comparative ease of collecting information and here again there is variation in defining the upper and lower size limit of an SME, (KAM, 2008). In developing countries, the number of employees and size of assets or turnover for local suppliers and contractors tend to be much smaller compared to their counterparts in

developed countries due to their relative size of business entities and economies World Bank, (2007). The European Union (EU) categorizes companies with fewer than 50 employees as small and those with fewer than 250 employees as medium Kibas, (2004): EU Commission, (2009). This is the definition of SMEs adopted in this study. Small enterprises constitute the bulk of the established businesses.

The enterprises would usually be owner-managed or directly controlled by the owner-community and are mostly family owned. They are likely to operate from businesses/industries in various business sectors like retailing, manufacturing, professional services and construction-like formalities. Medium Enterprises constitute a category which is difficult to demarcate vis-à-vis the “small” and “large” business categories. Local suppliers and contractors are still viewed as basically owner/manager-controlled, though the shareholding or community control base could be more complex. Local suppliers and contractors in Zambia are generally distinguished by the nature of their production and management arrangements, trading relations, financial practices, internal competence etc. According to Habazoka (2008) SMEs in Zambia typically have the following features in varying degree; they are small units, often rural-based and family owned, most of them are small independent enterprises, standing alone and producing for a well-defined market, some are specialized firms, producing specialized products, selling to the international and /or local markets, they rely on low cost raw materials, low energy costs, low labor costs, and are characterized by low division of labor, flexible and often small production runs, they have low capital formations and finally, they are largely labor intensive units with low-level technologies; but one needs to note the emergence of high skill and technology-intensive SMEs.

A large part of the economic system in many countries, whether developed or developing, is

formed by small and medium sized enterprises (SMEs). These enterprises are considered by various researchers, to be essential for the economic development of those countries Praag and Versloot, (2007). As an example, in the European Union (EU), Small and Medium Enterprises represent more than 98 percent of the firms and serve as a crucial foundation for the labor market in the member countries Smallbone and Rogut, (2005). Apart from the crucial role that these SMEs play in the economies of these countries, these organizations generally encounter various weaknesses and challenges (Smallbone and Rogut, 2005: Smith and Smith, 2007: Joubert, 2004).

The contribution of the Small and Medium Enterprises (SME"s) to the economy of a nation is well recognized. In developing countries, it is believed, the contribution of SME"s towards employment generation is significant. The EU Code of Best Practices for SME access to procurement introduced in 2008 stated that increased involvement of SMEs in public private procurement would result in higher competition for public private contracts, leading to better value for money (VFM) for contracting authorities. Public procurement is the process by which government departments or agencies purchase goods and services from the private sector Lysons & Farrington, (2006). It takes place at both a national and regional level.

The procurement process would usually be subject to specific rules and policies covering how the relevant decisions are made. In order to achieve value for money in the public sector, the status of the procurement department needs to be advanced by appointing a senior management representative and by either developing internal capabilities or recruiting externally Lysons and Farrington, (2006). Common purchases should be centralized, and policies and procedures established to regulate the buying activities of internal clients. Supply and demand needs to be aligned through vertically integrated information flows and robust operational

systems. Strategic source planning should be carried out, a category management system adopted, relevant suppliers appraised and selected, and appropriate relationships adopted. Supply performance monitoring, and relationship management are key on-going activities to streamline public contracting and achieve value for money Lysons and Farrington, (2006).

There are a number of barriers to achieving value for money in the public sector and private sector that may include: Procurement, tendering and awarding of contracts objectives in both sectors these have always been unclear. A diverse range of stakeholders in public and private contracting situations do exist and it is not always obvious which group takes precedence. Procurement and tendering strategies have been driven by international directives and require prescriptive and formulated sourcing approaches.

Collaborative relationships with suppliers are difficult to justify. There is also considerable political intervention, an emphasis on budgetary control, and a risk-averse culture in public and private contracting. Supply chain strategies must thus be designed to achieve value for money, but it is not always clear what this entails. Procurement competences have not been well developed to operationalize designed strategies. Decision-making is often slow and bureaucratic, and public sector organizations often have a remit to pursue environmental and social objectives which may contradict commercial imperatives CIPS, (2012) Copperbelt Province is rich with mineral finds and mines. The name of the province is given by the rich finds of copper ore (e.g. Chingola, Konkola, Nchanga Mines), but notable are also emerald mines along Kafubu River, which in the first 6 months of 2011 yielded 3.74 tons of high quality emeralds. Copperbelt District is geographically located to the western region of Zambia just along the Equator. Copperbelt is bounded by solwezi, kabwe and kapiri District.

Copperbelt District covers 31,328 square kilometers (km²); Copperbelt Province is a province in Zambia which covers the mineral-rich Copperbelt and farming and bush areas to the south. It was the backbone of the Northern Rhodesia economy during British colonial rule and fueled the hopes of the immediate post-independence period, but its economic importance was severely damaged by a crash in global copper prices in 1973. The province adjoins Katanga province of the Democratic Republic of Congo, which is similarly mineral-rich. The main cities of the Copperbelt are Kitwe, Ndola, Mufulira, Luanshya, Chingola and Chililabombwe. Roads and rail links extend north into the Congo to Lubumbashi, but the Second Congo War brought economic contact between the two countries to a standstill, now recovering. It is informally referred to at times as 'Copala' or 'Kopala', invoking the vernacular-like term of the mineral copper that is mined in the province and the population density was 63.00 per km².

A. *Statement of the problem*

Many studies show that SMEs are the driving engine of growth, job creation and competitiveness in domestic and global markets. They also play a pivotal role in innovation and productivity growth Blackburn and Athayde, (2000). The government of Zambia's initiative to help small and medium-sized enterprises through the Public and private procurement process has uncovered a range of problems such as allocation of contracts especially to local contracts and in some cases administrative issues. The Vision 2030, which is blueprint of the country's development, has clearly articulated the need to support Local suppliers and contractors which account for 20% of the country's GDP Habazoka. (2017). The study would contribute to filling up the informational gap, that is existing between mining firms and suppliers and contractors. The very fact that both government and major international contractors are supposed to at least give 20% of the awarded contracts to Zambians is

enough a statement from government to encourage the local SMEs. This preferential treatment for local suppliers and contractors by Government is meant to develop the local suppliers and contractors sector and hence the general economy of the country. Despite this preferential treatment of local suppliers and contractors by government through allocation of 20% of all public and private contracts to local suppliers and contractors, a comparative tally of mining contracts secured by local suppliers in Copperbelt against those secured by large enterprises are still very small PPOA, (2019). As a consequence, the motivation for this study was to find Responses to the following issue; - What are the main challenges faced by local suppliers and contractors in accessing mining contracts in Copperbelt Kitwe?

B. The general objective of the study

The general objective of this study was to investigate the challenges faced by local suppliers and contractors in accessing mining contracts from mining firms on the Copperbelt of Kitwe District.

C. Research questions

The research centered on key questions which were, firstly How do technical capabilities determine on the choice of choosing the contractor? Secondly does limited access to business information has any effect on its selection? Thirdly What effects has Financial base have on the choice of selection? Fourthly, Is there a legal / Regulatory framework in private procurement?

D. Significance of the study

This study aimed to generate information on the Challenges faced by local suppliers and contractors in accessing contracts and in particular mining firms. the study is significant because the findings would offer vital information to the mining firms, suppliers and contractors as well as to government through the ministry of commerce and the Ministry of mines at large so that they find ways of addressing this challenge to improve results of 20%

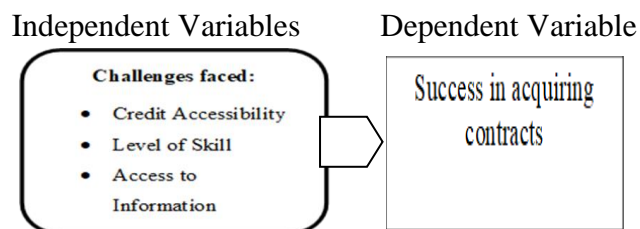
participation of local suppliers and contractors. It will also provide the knowledge of the nature of the contribution of local suppliers and contractors in performance. the findings may be of benefit to other subjects which may be facing similar situation soon. It will also help the chamber of commerce Association of Zambia as well as the whole country on how local suppliers and contractors could contribute to the national GDP. It will further add to the already existing body of knowledge.

E. Conceptual framework

The study adopted conceptual framework which focused on the level of skill, information access and credit accessibility factors analysis. It is based on developments to the work of Hughes (1990) which emphasize that the earlier mentioned factors are crucially important to the successful of acquiring contracts. Hughes (1990) viewed business environment as an intermediate variable. He argued that changes in the environment affects the execution of the projects.

The rationale for the argument is that a changing environment demands mining firms to be responsive and dynamic. It should be should be stated that for a contract to succeed a number of other success factors play an important role. This section provides a structural description of the relationship between the variables forming the concepts of the study on the challenges faced by local suppliers and contractors in accessing Mining Contracts Like earlier mentioned, the independent variable; is conceptualized by Technical Capability, financial accessibility, access to information and Legal / regulatory framework. The dependent variable is success in acquiring contracts as illustrated graphically below:

Figure 1.1 Conceptual framework



Source; (Researcher 2019).

II. RESEARCH METHODOLOGY

A. Research design

This study adopted the descriptive survey research design. A survey is done as an attempt to collect data from members of a population to determine the status of that population with respect to one or more variables. In the descriptive survey research design, a researcher has no control over the variables, they cannot be manipulated. The researcher will study and explain a situation as it exists Wiersman, (1985). According to Mugenda & Mugenda (1999), the design would not only give descriptions and explanations of activities, people and objects, but it would also identify and predict relationships between variables of the study. The researcher therefore found a descriptive survey design appropriate in understanding the Challenges Faced by Local Suppliers and contractors in Accessing Contracts in Copperbelt Mining Firms.

B. Study site

The research site for the study was restricted to Kitwe district. The study targeted mining companies on the Copperbelt, Kitwe district.

The sample size was 50 subjects from 5 selected mining firms, the questionnaires broken down into three (3) of fifteen were given to the Contract managers and senior personnel on the mining firms. A set of twenty was given to supervisors, coordinators and mine suppliers. The remaining fifteen were project contractors or the general workers doing the actual work.

The target population of this study was the contractors and suppliers, and Contract Administrators from Kitwe District of Copperbelt Province.

The target population is a group of objects from which samples are taken for measurement. According to Cooper and Schindler (2003) sampling is the process of selecting a predetermined number of subjects from a defined population as a representative of that population. Basically to say that sampling is the process in which a representative part of the population is picked for the purpose of determining the characteristics and parameters of the entire population. This research will use the random sampling technique.

According to Kull (1984), sampling is the process by which a relatively small number of individual object or event is selected and analysed. The study adopted a stratified random sampling approach. This is because with the stratified random sample, there is an equal chance (probability) of selecting each unit from within a particular stratum (group) of the population when creating the sample. From the target population of 50 local suppliers and contractors in Kitwe district, a sample size of 10% was obtained using stratified random technique. This was because the subject within the sample was divided into four strata which were the years in which the local suppliers and contractors have been in operation. Thereafter the subject was sampled randomly and the individuals were chosen in such a way that each had an equal chance of being selected and each choice was independent of any other choice.

The researcher employed questionnaires and interview guides as instruments for data collection. Two different questionnaires were designed: one for contractors and the other for suppliers and administrators. The questionnaires consisted of four sections. A, B C and D. Section A consisted of

respondent's personal information while B, asked about educational information. Section C asked the informational challenges faced by local contractors and D was to determine if the access to the credit base has any effect to their selection. Finally, section E examined if the level of skill set has any effect on the choice of choosing a contractor.

Primary data was collected through questionnaires and interviews. The researcher personally collected data from the target respondents. Drop and pick method was also used where it would not be possible to collect the data right there. Also, the researcher personally distributed the questionnaire in order to ensure that the respondents get them and that the intended respondents be the one responding. On the part of the interviews, the researcher personally conducted them and recorded the responses. This method was to make data collection simpler and the researcher would be able to facilitate accuracy in the data collection as this method entails a personal appeal (Mugenda, 2003). The respondents were not forced to participate, and they were being given time to study the questionnaires before they attempted to answer.

According to Drost. (2011) instrument validity is concerned with the meaningfulness of the research components, meaning that it is concerned with whether the questions are measuring what they are intended to measure. The research will use content validity through approaching professionals in research and the research supervisor before it is used. Hence the test questions will be matched to the content of the subject which is the challenges faced by local suppliers and contractors in accessing contracts.

According to Drost, (2011) reliability is the extent to which measurements are repeatable when different persons perform the measurement, on different occasions and under different conditions. Reliability is basically the consistency of

measurement. To ensure reliability of the questionnaire, the writer tested the instrument on a project in progress, within the area. This process offered the writer a chance to make changes to the questionnaire.

The answered questionnaires were collected and the responses from the learners were examined and analysed. This allowed the researcher to build ideas inductively while deterring him from imposing extant theories or his own beliefs on the data. The findings were interpreted and discussed using emerging themes and categories supported by the narratives of the participants. On the other hand, quantifiable findings obtained from questionnaires was codified and analysed using Business Intelligence software(Power BI) as an analysis tool. Since the trustworthiness of qualitative research is often questioned by positivist researchers, a few strategies were adopted to ensure credibility and dependability of the findings (Shenton 2004). The data that was collected was tested against the existing literature to see if they agreed. The researcher also looked at the results and saw if there was a change in performance among local contractors and suppliers. For the most part, the researcher relied on the actual words of the participants when analysing and coding the data in order to ensure that the meanings derived remain true to the voice of the participants.

To ensure the credibility of the study, permission was sought from ICU and from Mining firms including the administration of the selected firms and initial contact was made with the possible participants to apprise them of the nature of the study. The researcher ensured that no data from the questionnaire was to be tempered with and only what the participants present was to be considered. Where need arise, the questionnaires were to be interpreted in simple terms to make participants understand what they were responding to. The respondent's names was to remain anonymous so

that their identity is kept. It is believed these would facilitate objectivity, ethical diligence and rigor Jackson, Drummond & Camara, (2007).

The study was conducted in Kitwe District on a few selected mining companies. The number of participants targeted was 50, of which five (5) were mining companies, ten (10) Contract managers from these mining companies, twenty (20) suppliers and fifteen (15) contractors.

Due to resources, the researcher only focused on the few targeted contractors from the selected mining companies and suppliers in the district as the whole population of the district could not allow interviewing all. The scope of this paper was limited to the set research objectives due to time constraints. The writer would have liked to increase the sample size, but due to time, finances and the limited projects within the study area. In addition to that, the respondents may also found it difficult to respond to the questionnaires openly as they may perceive it as an infringement on their rights to privacy. However, the researcher made necessary efforts to explain to the respondents that the findings of the research are purely for academic purposes and nothing else.

For the sake of this study the researcher ensured that the subjects received full disclosure of the nature of the research, risks, benefits and opportunities with an extended arm to ask questions. The writer of this research made sure that the names of the participants were not written on the questionnaires to protect the anonymity and confidentiality of the participants. Secondly the writer of this research sought informed consent from the participants so as to make sure that they voluntarily participate in the research.

III. RESULTS AND FINDINGS

The objective of this research was to have a better understanding of the elements that contribute to the challenges faced by local suppliers and contractors in accessing contracts in Copperbelt mining firms of Kitwe. The study results are discussed in terms of the objectives and their direct and indirect effects of tendering.

A. Questionnaire response rate

The sample group that was administered with questionnaires by the researcher consisted of 50 Suppliers and contractors from Kitwe District and 46 questionnaires were returned representing 90% response rate and according to Babbie (2002) any response of more than 50% is adequate for analysis. Of this 45 questionnaires, 20 represents the suppliers of Conveyor belts, 10 questionnaires represent the suppliers of Electrical & Hardware, another 10 questionnaires represented suppliers of Laboratory equipment, and another 10 questionnaires represented the suppliers of Mechanical Instruments

Questionnaires Issued to Suppliers of:	No of Questionnaires		Response%
	Issued	Returned	
Conveyor belts	10	09	90%
Electrical & Hardware	20	18	90%
Laboratory Equipment	10	09	90%
Mechanical Instruments	10	09	90%
Total	50	45	90%

Table: 3. Response Rate

The research distributed all 50 questionnaires and managed to recollect a total of 46, of these 46; 39 were male 85% while 7 were female 15%. This representation or gender distribution is not healthy

for development and the writer would in future like to see more women in the construction industry.

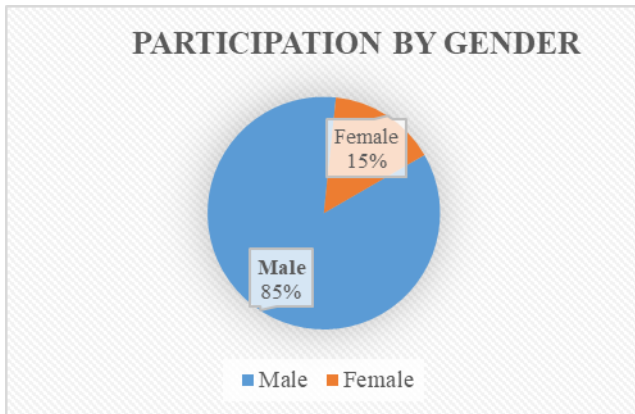


Figure 3.2 Participants by Gender

The researcher also compared the ages of the two genders and the cross tabulation revealed the following results

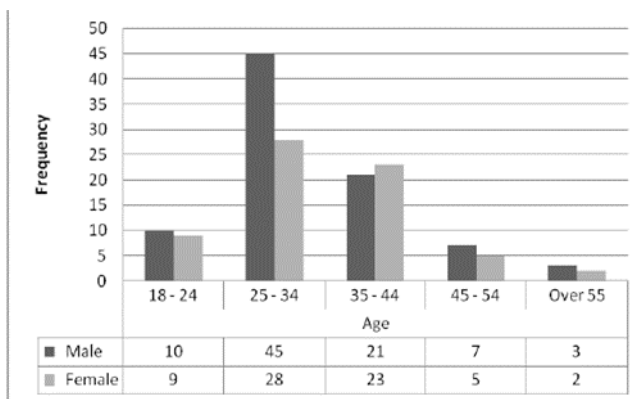


Figure: 4. Gender Age Respondent

Most of the local suppliers and contractors in Kitwe district lie between the age of 25 - 47 years, then closely followed by 48– 55 years. However, it is clear that the number of the local suppliers and contractors is reducing from 20 – 35 to Over 55 an indication that some local suppliers and contractors evolve from being small and medium entrepreneurs to potential entrepreneurs.

Most of the respondents who were over 55 years of age acknowledged the fact that they have participated in tendering at one point and have been

awarded tenders an indication that at one point they were able to meet the various requirements by the Public Private Procurement Market in Zambia.

However, approximately 60 % of the respondents were between the age of 26 to 47 years, only 40 % of the respondents were above 47 years. This is an indication that most of the local suppliers and contractors Kitwe district are youths who form the productive population and are aware of the tendering and procurement processes in Zambia as shown in figure 4. Kitwe District is also an upcoming entrepreneurial town which serves as a motivation to Small and Medium Enterprises.

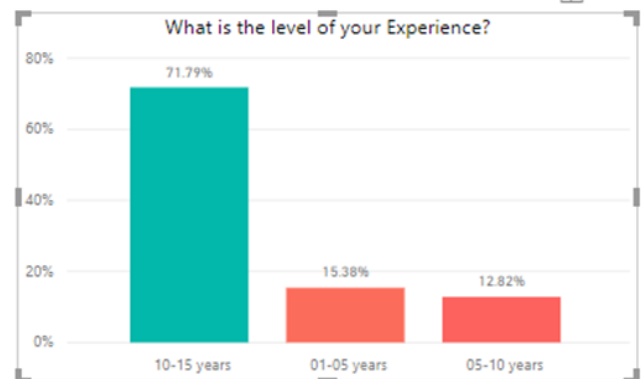


Figure: 9. Period of Operation

Most of the local supplies and contractors have been in operational for 10 to 15 years. This indicates that these the local supplies and contractors have been involved in the tendering process for quite some time and they have the required experience in procurement and they are well informed of this whole process.

They are able so the perfect candidates for the researcher since they are able to provide the information required without any bias. It is also clear that the Kitwe District who have been able to participate fully in public procurement as they feel that they have a lot to learn in the market

B. Does limited access to business information has any effect on its selection?

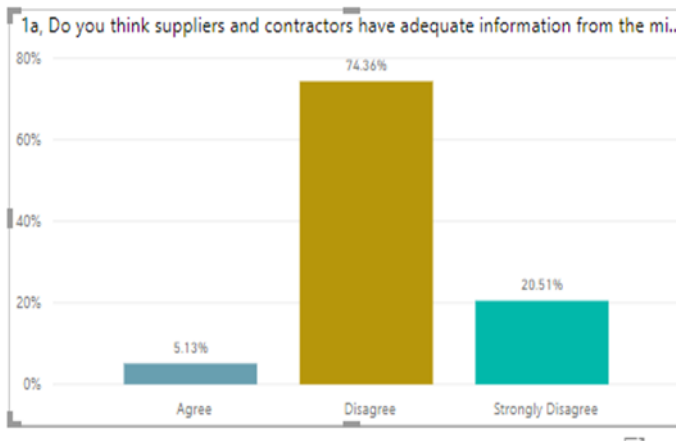


Figure: 10. Information access

The local suppliers and contractors were asked whether they had adequate information from the mining firms pertaining to tendering process.

This study revealed that there is limited access to information of procurement and tendering to the local suppliers and contractors. This is backed by 74.36% response that showed that the local suppliers and contractors are not aware of the existence of information on procurement thus leading to poor access to information. All the same, 5.13% respondents were disinterested to there being constant dialogue between The local suppliers and contractors and buyers and the existence of websites where The local suppliers and contractors can access information. The findings of the study also revealed that, the local suppliers and contractors are not mentored by buyers and refuted the existence of an e-procurement platform whereby there is free information on tendering which is accessible to them

C.To Establish whether mining firms provided necessary guideline information to suppliers and contractors pertaining to tendering.

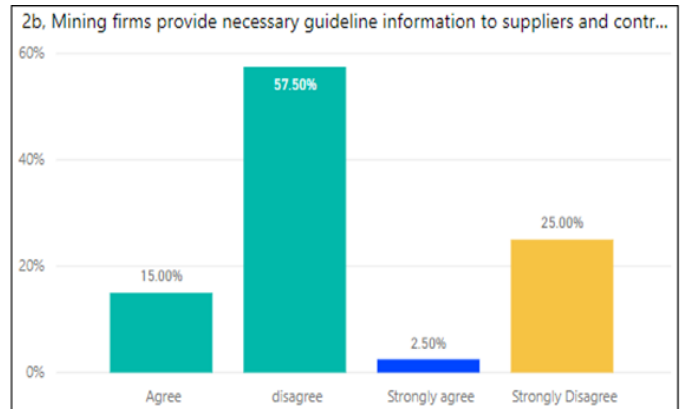


Figure: 11. Guideline Information

the results of the respondents as shown above indicates that most of the respondents 57.50% disagreed, 25% strongly disagreed, while the other 15% agreed with 2.50% strongly agreeing that mining firms provide them with the necessary guideline information pertaining to tendering.

D. What effects has Financial base have on the choice of selection

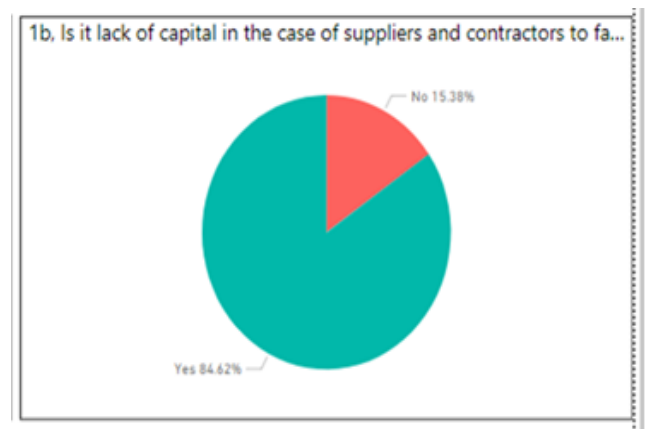


Figure: 12. Financial Soundness

The data analysis revealed further that Capital/ financial access is critical for local suppliers and contractors' growth and development. In their early stages of development, local suppliers and contractors rely on internal sources of funding, including the owner's savings, retained earnings, or funding through the sale of assets.

Respondents results above shows that 15.38% of the respondents are unbiased on the fact that capital/ financial requirements affect procurement and tendering of local suppliers and contractors', while 84.62% approved that capital/ financial regulation is a big obstruction which makes them not participate in tendering and those who have participated argued that, it is one of the reasons why they do not win tenders.

Conversely, they approved that its risky to rely on local suppliers and contractors' to supply various items given their weak financial base and lack of access to long term credit services. According to this study, access to finance remains a key constraint to local suppliers and contractors' development, especially in emerging economies. The availability of capital, availability of materials, fulfilling the tender condition, chances of obtaining the job, project size and the need for work also emerge in this study as important factors in suppliers and contractors' bidding decisions.

E. Is it the lack of expertise on the part of local contractors that makes them less competitive in tendering?

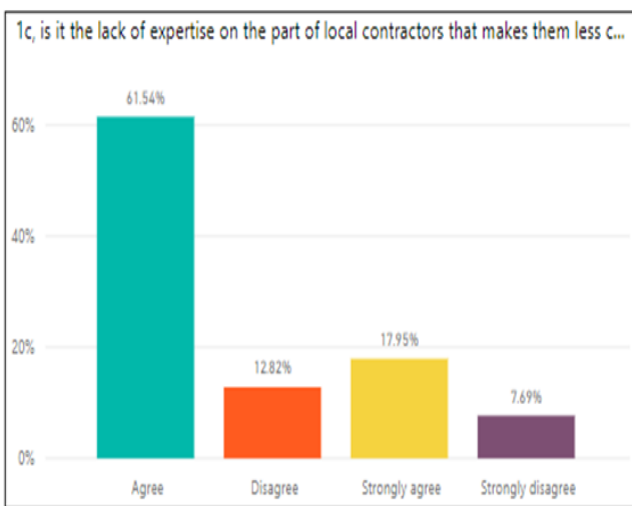


Figure: 13. Technical Expertise

The data in figure 12 shows that Organizations need to move beyond assessment of generic managerial competencies to more specific technical competencies and adopt a holistic approach to

competency assessment as it applies to real jobs in the work place. The above graph shows that about 61.54% of the respondents agreed,17.95% strongly agreed and the other 12.82% and 7.69% could not agree that technical expertise fail local contractors and suppliers to be awarded mining contracts and that the fact that technical expertise in mining contracts and supply is critical and affects them in tendering for mining contracts

F. Does the lack of experience have any effect on the quality of work that fails local suppliers and contractors to be awarded the tenders?



Figure: 14. Level of Experience

The research further established that 87.18% of contract administrators and senior project administrators agreed that it is true that local suppliers and contractors need sufficient experience and that practical requisite experience is key to successful contract and supplies performance while the other 12.82% of the respondent's results shows that they could not agree to the notion that lack of experience has an effect on the quality of work performance.

G. Do economic Conditions favor international firms in accessing Financial Credit from the ban?

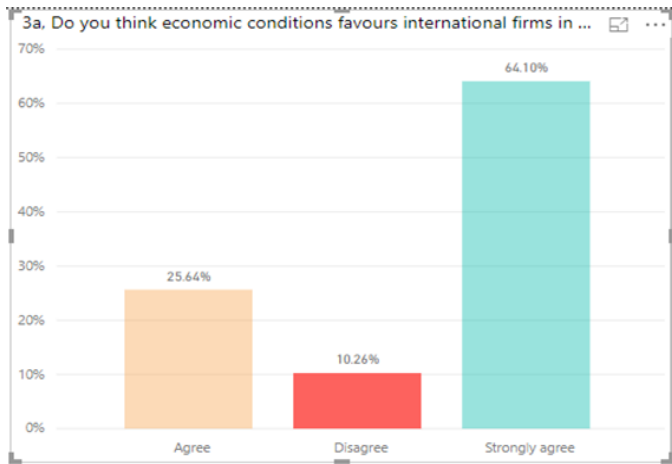


Figure : 1. Economic Conditions

The results revealed that when respondents were asked whether economic conditions favours international firms in accessing financial credit from the banks, the results of the data showed in figure 15 that respondents strongly agreed which is 64.10%, and 25.64% agreed while a percentage of 10.26% disagreed.

H. When Respondents were asked if lack of technology and advanced Equipment affects their chances in tendering for contracts.?

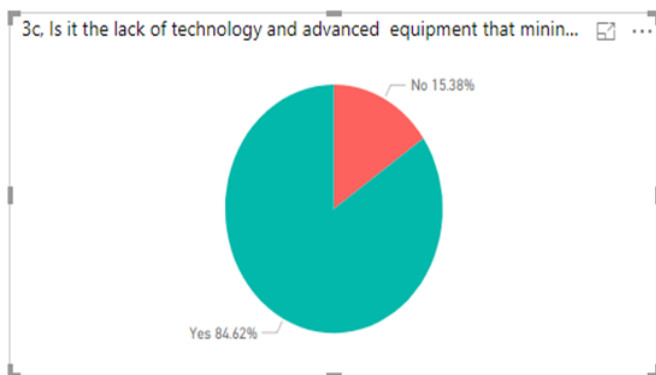


Figure: 17. Technology and advanced Equipment

When Respondents were asked if lack of technology and advanced Equipment affects their chances in tendering for contracts. The results of the responses as shown on figure 15, indicates that When people perform tasks by hand, it can be time consuming and

full of human errors. When technology is used for repetitive operations, mistakes are reduced or eliminated, and the time it takes to complete the task is greatly reduced. From the results of the respondents above show that 84.62% said Yes, while 15.38% said No. An indication from the results that most local suppliers and contractors lacked proper equipment and use of advanced technology when bidding for contracts in the mining sector. hence, this has an effect on the tendering criteria for contract award.

Different types of technology can help your business maximize efficiency and productivity, decrease expenses and increase profitability. Don't use technology just for the sake of using technology, though. Consider how your business operates and determine which technologies will benefit your organization in terms of saving time and increasing your bottom line. In addition to making processes quicker, technology also makes it easy to keep information up to date.

I. Do economic Conditions favor international firms in accessing Financial Credit from the banks?

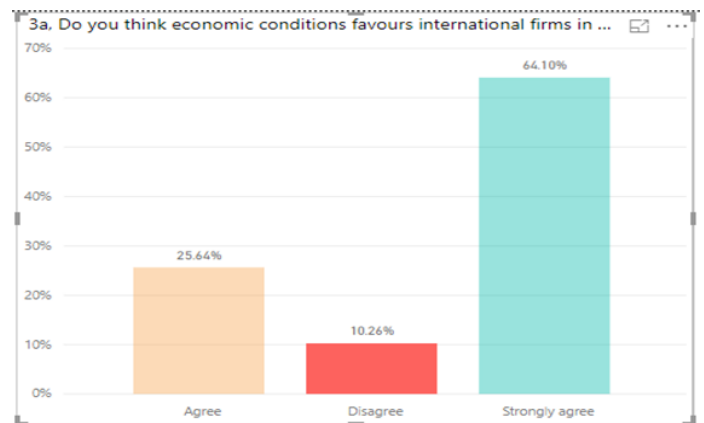


Figure: 18. Economic Conditions

The results revealed that when respondents were asked whether economic conditions favors international firms in accessing financial credit from the banks, the results of the data showed in figure 15 that respondents strongly agreed which is 64.10%,

and 25.64% agreed while a percentage of 10.26% disagreed.

IV. DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS

A. Discussions

The findings on the research have shown that access to acquiring contracts in the mining industry has been a major challenge with the local suppliers and contractors. The study reached at total of 45 participants with a 90% turn out that revealed just how much local suppliers and contractors need to have the knowledge to the challenges faced in acquiring contracts in the mining industry.

The study revealed that there is limited access to information of procurement and tendering to local suppliers and contractors. Most of the upcoming local suppliers and contractors in Kitwe district are not aware of the existence of information on procurement thus leading to poor access to information. The findings of the study also revealed that, the local suppliers and contractors are not mentored by buyers and refuted the existence of an e-procurement platform whereby there is free information on tendering accessible to them. Therefore, the study revealed that about 74.36% response that showed that the local suppliers and contractors are not aware of the existence of information on procurement thus leading to poor access to information. All the same, 5.13% respondents were disinterested to there being constant dialogue between The local suppliers and contractors and buyers and the existence of websites where The local suppliers and contractors can access information. The findings of the study also revealed that, the local suppliers and contractors are not mentored by buyers and refuted the existence of an e-procurement platform whereby there is free information on tendering which is accessible to them.

This study found out that the key financial requirements that the local suppliers and contractors encounter include financial regulations and shortage

of own financial resources for innovation. It was agreed that financial regulation is a big obstruction which makes them not participate in tendering and those who have participated argued that, it is one of the reasons why they do not win tenders. Respondents results above shows that 15.38% of the respondents are unbiased on the fact that capital/ financial requirements affect procurement and tendering of local suppliers and contractors', while 84.62% approved that capital/ financial regulation is a big obstruction which makes them not participate in tendering and those who have participated argued that, it is one of the reasons why they do not win tenders.

Conversely, they approved that its risky to rely on local suppliers and contractors' to supply various items given their weak financial base and lack of access to long term credit services. According to this study, access to finance remains a key constraint to local suppliers and contractors' development, especially in emerging economies.

The findings of this study revealed that organizations need to move beyond assessment of generic managerial competencies to more specific technical competencies and adopt a holistic approach to competency assessment as it applies to real jobs in the work place. Lack of sufficient knowledge on technical expertise for certain contracts and supplies on the part of the local contractors and suppliers restricts them to be awarded mining contracts and that the fact that technical expertise in mining contracts and supply is critical and affects them in tendering for mining contracts. The researcher established that about 61.54% of the respondents agreed, 17.95% strongly agreed and the other 12.82% and 7.69% could not agree that technical expertise fail local contractors and suppliers to be awarded mining contracts and that the fact that technical expertise in mining contracts and supply is critical and affects them in tendering for mining contracts.

The findings of the study also indicate that there is a clear Legal/Regulatory framework established in the

country to deal with public private procurement. The statutory instruments regulating foreign exchange have substantially damaged the competitive position of Zambian suppliers to the mining industry, making it relatively cheaper for mining companies to buy from. An example of this regulatory framework is that for a supplier to be able to participate in tendering, he/she must be able to raise a certain amount of bid bond to be able to handle a certain tender. From the findings the researcher is able to establish that these guidelines are not open to public scrutiny. It is also evident from the local suppliers and contractors that obscure bidding procedures shielded by vested interests discourage local suppliers and contractors from participating in private procurement. These procedures as they said for example include obtaining tax compliance certificates from the Zambia Revenue Authority and also needed maybe to provide audited accounts.

IV. CONCLUSIONS

The aim of this research was to investigate the challenges faced by local suppliers and contractors in accessing mining contracts from mining firms on the Copperbelt of Kitwe District. More specifically one of the specific objectives was to assess whether limited access to business information has any effect on its selection. The other objective was to Determine if the Financial base has an effect on the choice of selection. the other one was to establish if there is a legal / Regulatory framework in private procurement and finally the other objective was to examine the technical capabilities and its effects on the choice of choosing the contractor.

V. RECOMMENDATIONS

The following recommendations were made:

It was revealed that four factors are significant to both indigenous and expatriate contractors in making bidding decisions. These factors include the financial soundness of the client, access to Business information, Technical capability and existence of a legal /regulatory framework. This is in agreement with Hatush and Skitmore (2008), who considered

the number of competitors a very important factor in the bidding decisions.

When considering tenders for mining supplying and contracts, should give primary attention to the client capability to pay for the work, project size, information access and the Technical capabilities, if known, among other factors peculiar to the tender.

Local suppliers and Contractors should also build their reputations in the mining industry by acquiring technical competencies and capabilities, as these qualities have become important considerations in assessing contractors' competitiveness and key indicators of successful tendering in mining supplying and contracts projects.

local suppliers and contractors should not rely solely on their relationship with the project stakeholders to obtain tenders, as this may not be sufficient to guaranteeing their chance of winning tenders, but should rather build their reputations, performance, technical competence and managerial capabilities. A suggested area of future studies could include but are not limited to examining the association between bid/no bid factors and bidding decisions in real life mining supplying and contract projects within the six geographical zones of the country.

Lastly, these challenges need to be addressed through collaborative efforts that involve industry, government and development partners. Industry can support and nurture suppliers with potential. mining companies need to initiate supplier support and upgrading programs that attempt to address the capability gaps of local businesses by providing management skills, access to finance, enhanced computer literacy, and an understanding of the mine's procurement processes and requirements.

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