

ABSTRACT

The purchasing/procurement function has undergone significant changes during last few decades and new definitions for procurement have emerged. The quality, timelines, appropriateness can largely determine whether the public investment will succeed or fail. On the other hand, the desired impact of procurement is also to inspire the confidence and willingness to compete of well qualified suppliers and contractors. The current performance issues in the procurement system in the Army attribute to both systematic and people related factors. Lapses and laxity in the application of procedures and lack of proper understanding of procedures by the concerned staff are main important issues in this regard.

This study is focused at identifying the reasons why procurement system for Ordnance Stores in the Army is not effective and efficient in order to ascertain what measures and remedial actions could be taken to make the system productive. It is very timely and appropriate to study the possible changes in the existing procurement system to boost the moral & enhance effectiveness of the organization.

The relevant procurement guidelines and existing procedure was critically analysed by this study. In this study it revealed that there is tremendous room available for improvement in procurement planning, provisioning/forecasting system, procurement methods, bid opening, bid evaluation, award of contract, contract administration and management or in other words throughout the procurement cycle. One of the major reasons for not achieving desired results from the existing system is found to be lack of awareness about Financial Regulations, Procurement Guidelines, flexibility and opportunities available within the guidelines among staff and "resistance to change" their attitudes and working culture.

It is utmost importance to rectify and take immediate remedial actions to fill the loopholes, shortcomings in the existing procurement system for Ordnance Stores in order to make the system productive and user friendly. This study found that the remedial measures that is required to make the system efficient & effective are not that complicated, complex, time consuming or gigantic tasks, but need to adhere to basic fundamentals & principles with a positive framework of mind. Hence, it is required to embark on the proposed changes with a positive attitude and commitment in order to achieve the desired result from procurement ie, "value for money"