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CONTRACT MANAGEMENT AND PUBLIC PRIVATE PARTNERSHIP PROJECT PERFORMANCE AT KIGALI LOGISTICS PLATFORM

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Abstract: **Public-Private Partnership can mobilize private sector investment and expertise to provide much-needed infrastructure and public services. It can transform government departments and contracting authorities from being owners and operators of assets into knowledgeable purchasers of services from the private sector. The current study adopted a descriptive survey research design using quantitative methods to examine the effect of contract management on the performance of Kigali Logistics Platform, a PPP project between the government of Rwanda and DP World. The study showed that there is a positive relationship between contract management practices and PPP project performance on correlation coefficient of 0.875** and tailed p-value of 0.000 which is less than 0.05 showing a significant relationship between contract management practices and the performance of PPP project. The objective of the study was to assess the correlation between contact negotiation, contract implementation, contract monitoring, stakeholder participation in contract decision making and PPP project performance at Kigali Logistics Platform. The findings of study revealed that contract negotiation practices have great impact on the performance of PPP project (mean=4.0). There is a positive relationship between contract negotiation practices and the performance of PPP project on correlation coefficient of 0.816** and tailed p-value of 0.000. It was found that contract implementation significantly affects the performance of PPP projects (mean= 4.08). The study found a positive relationship between contract implementation practices and performance of PPP project on correlation coefficient of 0.941**and tailed p-value of 0.000. Findings of the study also show that stakeholder participation in contract decision making greatly influences the performance of PPP project (mean= 3.79). There is a positive relationship between stakeholder participation and the performance of PPP project on correlation coefficient of 0.763**and tailed p-value of 0.002. Lastly it was found that contract monitoring and control practices have great influence on the performance of PPP project (mean= 3.8). The findings revealed that there is a positive relationship between contract monitoring and control practices and performance of PPP project on correlation coefficient of 0.867**and tailed p-value of 0.001. The results of this research would be useful to different individuals involved in the PPP contract management and other future researchers interested in the field of PPP contract management practices and project performance.**

Keywords: **Contract, Negotiation, Management, Public-Private Partnership, Project.**

1. INTRODUCTION

1.1 Background of the study

Public-Private Partnership (PPP) plays a significant role in logistics infrastructure development worldwide due to its numerous benefits and contributions. PPP can mobilize private sector investment and expertise to provide much-needed infrastructure and public services. It can transform government departments and contracting authorities from being owners and operators of assets into knowledgeable purchasers of services from the private sector (Forrer, 2015).

PPPs projects have bolstered logistics infrastructure development worldwide, addressing infrastructure gaps, and driving economic growth in the logistics sector (Fink, 2016). PPP contracting for logistics infrastructure development can be viewed from global, regional, and local perspectives. In all perspectives, key considerations for successful PPP contracting in logistics infrastructure development include robust project identification and feasibility studies, effective risk allocation, transparent procurement processes, stakeholder engagement, and monitoring and evaluation mechanisms. Collaboration and knowledge sharing between global, regional, and local stakeholders contribute to the overall success of PPP projects in the logistics sector (Akintoye, Feng et Al, 2019).

Public-Private Partnership project structuring in a global perspective involves several key considerations including Legal and Regulatory Framework, Project Identification and Feasibility, Risk Allocation, Financial Structuring, Procurement and Contracting, Stakeholder Engagement, Monitoring and Evaluation, and Knowledge Sharing among others (Akintola, Feng, Chan & al, 2019). These aspects, among others, contribute to the successful structuring and implementation of PPP projects on a global scale.

At the global level, organizations like the World Bank and International Monetary Fund (IMF) play a significant role in promoting PPPs for logistics infrastructure development. They provide guidance, technical assistance, and financial support to governments and private sector entities involved in PPP projects worldwide. Global best practices and standards are often shared to ensure the success and sustainability of logistics infrastructure projects (David, 2018).

Regional bodies and development banks, such as the Asian Development Bank (ADB), African Development Bank (AfDB), and European Bank for Reconstruction and Development (EBRD), actively support PPP contracting for logistics infrastructure development within their respective regions. They provide financing, knowledge sharing platforms, and regional-specific expertise to facilitate PPP projects and harmonize approaches across countries in the region (Africa Development bank, 2021).

In East African Community (EAC) for example, Public private partnership project structuring is gaining momentum in the development of logistics infrastructure such as roads, rail ways, maritime and dry ports, inland containerized depots (ICDs) and bonded warehouses developed in the PPP framework.

The economy of developing countries goes with the Public Private Partnership, where the contract of PPP management goes with the quality control, time management and allocation of funds and its monitoring (Chan, 2014). PPP contract management needs to be supported in order to attain mutual interests of both parties from the fundamental aim of contract management which is to ensure delivery of a cost effective and reliable service at an agreed price and standard, (Saunders, 2020).

Kenyan government acknowledges the fact that growth and development of a country depends to a large extent on modern infrastructures and noting the substantive gap between the resources that are available for public investments and the public infrastructural needs where its infrastructure funding gap is currently approximated at 2-3 billion USD per year in order to address the infrastructural requirements over the next 10 years, Kenya calls for more innovative approaches in funding the national development. One of the best ways to plug this development gap is to bring in the capital and expertise from the private sector. It is because of this that the Kenyan government considers private sector development as a key feature of her national development plan (Government of Kenya, 2013).

Public private partnerships are an important contributor to infrastructural development in very affordable and sustainable ways. Public Private Partnerships also contribute to relieving budgetary constraints hence allowing the government to diversify balance development agenda. And the Kenya seeks to achieve a well-organized and effective development through Public Private Partnerships, it is in this regard the government developed the PPP Act No.15 of 2013. The government promotes Public Private Partnership as long-term development programme; therefore, the PPP Act 2013 contemplates meticulous planning and programming in a manner that ensures systematic efficiencies through selection and prioritization (Government of Kenya, 2013). Projects that have been identified are constituted into PPP pipeline of projects which would still be subjected to approval by the Public Private Partnership Committee once the approval has been done the list is then published in both electronic and print media with the view to inform investors about the opportunity for a renewable energy Public Private Partnerships (Ministry of Energy and Petroleum, 2016).

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Uganda has embarked on a number of PPP contracts for infrastructure development which proved to facilitate its internal trade and regional integration but with deficiencies in the contact management that also saw loss of billions of taxpayers' money to improper procurement process, specifically poor contract management practices in PPP for infrastructure projects developed with international stakeholders. This commonly happens in the country's state corporations due to issues, such as, corruption, litigations, contract cancellations and substandard service or product delivery. Since the state requires to realize its value for money in the process of the serving its people, every PPP project needs efficient management to perform to its intended goals (Contract Monitoring Uganda Network, 2019).

At the local level, governments and local authorities are responsible for initiating and implementing PPP contracts for logistics infrastructure development. They identify suitable projects, define project requirements, and engage with private sector partners through transparent procurement processes. Local stakeholders, including logistics companies, industry associations, and local communities, are involved in project planning, execution, and monitoring to ensure alignment with local needs and priorities.

PPP structuring to develop logistics facility is a relatively new concept in the region and Rwanda in particular, but if planned and executed properly, it could help support the development initiatives competitively positioning itself in the global supply chain. If procured correctly, with a transparent bidding and evaluation process, and balanced project agreements, PPP model attracts world class logistics operators who commit their resources, knowledge and technologies to building facilities that facilitate trade, all at minimal cost (MINICOM, 2015)

Rwanda's Ministry of Trade and Industry (MINICOM), with Gowling WLG advising in conjunction with Deloitte and Trade Mark East Africa, concluded a concession agreement with DP World for the development and operation of the Kigali Logistics Platform (KLP) - an inland port for the collation and onward distribution of goods ((MINICOM, 2017). DP World has been awarded a 25-year concession to construct and then operate the facility, which will link with Rwanda's existing road trade corridors, as well as potential future rail development. Trade Mark East Africa, a not-for-profit company, funded the mandate (TMEA, 2018)

The project is one of the first competitively tendered PPPs to close in Rwanda, and the first logistics project of its kind in Africa thus referred to as a green-field logistics project (DP World, 2018). Rwanda is set to benefit from this establishment of world class logistics facility that will increase the efficiency of its trade routes from and to the surrounding countries of Uganda, Tanzania, Kenya and Burundi and the central African region. A dedicated custom team inside KLP handles final customs clearances. Imports from overseas can easily be routed through the KLP for onward distribution to the surrounding countries of Uganda, Tanzania, Burundi and the DRC, a growing region of over 40 million people. DP World already expands the platform adding new cold storage warehouses and wants to offer packing and re-packaging facilities in the future. The logistics hub provides the following benefits to Rwanda's economy: Consolidation of import volumes, truck turnaround times reduced from 10-14 days to just three days, a boost in the Rwandan trucking industry, efficient storage and distribution of products, improved services for manufacturers, and local employment for some 200 staff. The single-window cargo management system and other investments in IT and automation are set to further increase efficiency and reduce costs. These savings may be passed down along the supply chain to further drive growth in the region (DP World, 2023).

As Rwanda seeks to position itself as logistics service hub in the region through this modern inland port, the government only covered a limited amount of the total facility development cost while receiving a concession fee from DP World (DP World, 2010). Based on this concession agreement the researcher examined the relationship between Contract Management and PPP performance in Kigali Logistics Platform, Rwanda.

1.2 Problem Statement

Linking railways to the Kigali Logistics Platform has the potential to dramatically reduce logistics costs for exports and imports via international gateways on the coast. All over the world, Logistics Programme is changing very quickly and countries which don't adapt to the complication of this sector will not survive to the current and future problems (Cheung & Suen, 2017). The Logistics Platform project is very composite in its nature because it involves a number of parties who are the project owner, project contractors, project consultants, regulators, and community. Rwanda had a big problem of high cost of storing and high cost of adequate logistics infrastructure and the government needed private partners in building this infrastructure. The government of Rwanda has tried to use investors in large infrastructure projects such as the Kigali Logistics Platform (KLP) where it worked with DP World to build a commercial cargo warehouse in Masaka under a PPP contract (MINICOM, 2015).

While KLP was designed with an annual capacity of 50,000 TEUs the current operations, it falls short of this ambitious target of the government of Rwanda to drive trade for economic development. Today after four years of KLP official launch, the facility is operating at 40 per cent of its full capacity. The current performance of Kigali Logistics Platform strategically setup to improve access of Rwandan businesses to international markets triggered the researcher to study the performance of this greenfield project contracted in PPP framework. When operating at its full design capacity, KLP has the potential to save Rwandan businesses up to USD 50 million a year in logistics costs (RDB, 2019). In the long run, Rwanda hopes to become a regional logistics hub and KLP is the strategic PPP to drive this initiative.

PPP project structuring for logistics infrastructure development is a new concept in Rwanda and there is a research gap in understanding the role of Contract Negotiation, Monitoring and Stakeholder Management in achieving the goals of a PPP project.

Lenders tend to scale down debt in relation to assessed risk profile while on the other hand investors go for bigger debt so as to minimize capital input in order to achieve a greater return on equity and lower risk on their side. Researchers have studied risk factors in relation to some factors of private finance plan like risk allocation and contract duration in public private partnership (Jin, 2015) There is little effort by researches to explicate the link between contract management practices and performance of public private partnerships projects.

The success and performance of project under public private partnership can be measured based on projects achievements such as, getting the projected outcomes, achieving the milestone, recognition, enabling the process to work and individual pride (Hodge and Greve, 2017). The evidence pertaining to public private partnership performance is mixed and the assumed success may be hypothetical (Pollitt, 2015). Some authors have publicly listed failed projects and shown that the value for money techniques used in appraisal of PPP are based on insufficient data (Macdonald, 2017; Pollitt, 2017; Allen Consulting Group, 2017 and Mehra, 2015).

It is in relation to this foregoing background that the current study studied the correlation between contract management and performance of PPP in Kigali Logistics Platform.

1.3 Objective of the study

The objectives of this study were divided into general objective and specific objectives.

1.3.1 General Objective

The general objective of the study was to assess the relationship between contract management practices and the performance of PPP project in Kigali Logistics Platform.

1.3.2 Specific Objectives

The specific objectives of the study were;

i. To assess the relationship between contract negotiation and the performance of Kigali Logistics Platform

ii. To examine the relationship of contract implementation and performance of Kigali Logistics Platform

iii. To determine the how stakeholder participation relates to the performance of Kigali Logistics Platform

iv. To analyze the relationship between contract monitoring and the performance of Kigali Logistics Platform

1.4 Research Questions

i. Do contract negotiation practices affect the performance of Kigali Logistics Platform?

ii. Does contract implementation affect the performance of Kigali Logistics Platform?

iii. To what extent does stakeholder participation affect the performance of Kigali Logistics Platform?

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iv. How does contract monitoring and control affect the performance of Kigali Logistics Platform?

1.5 Conceptual Framework

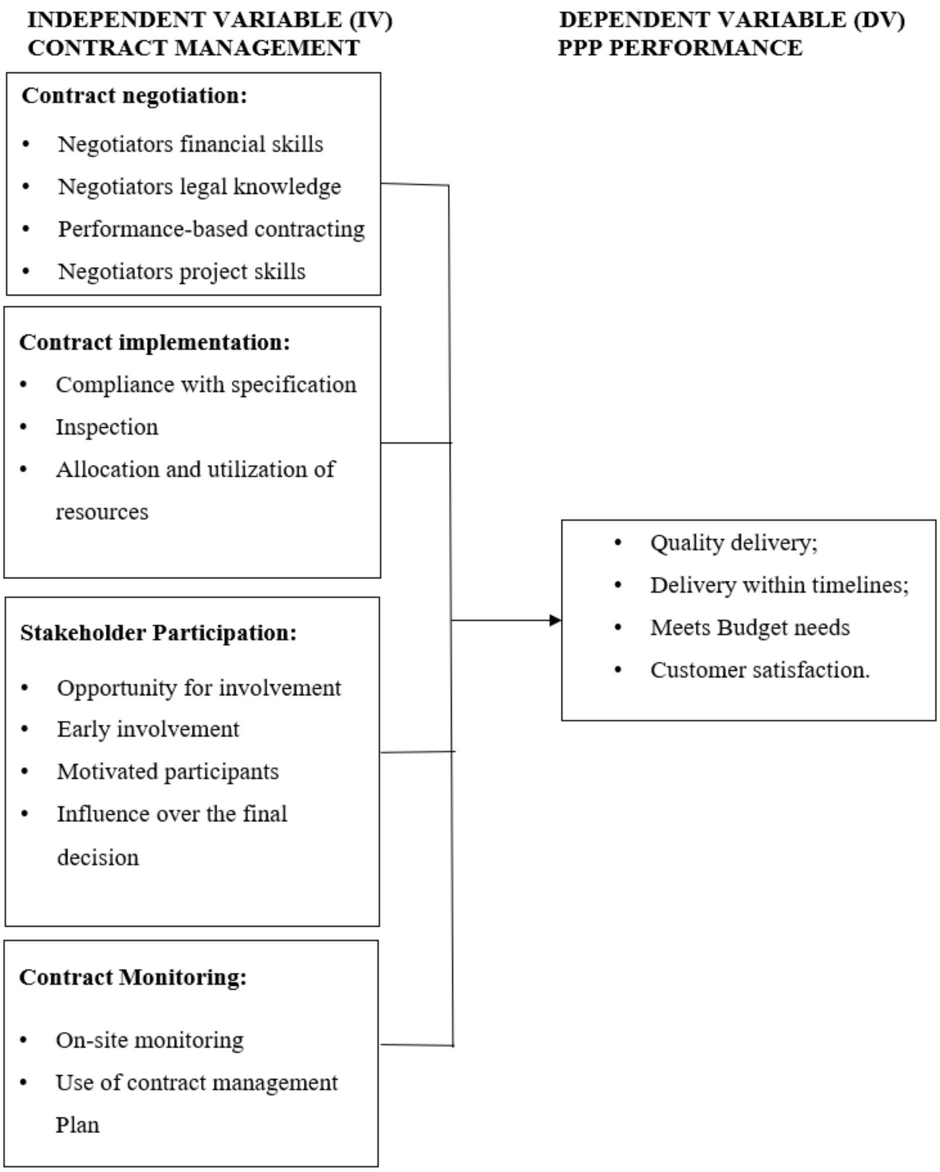

Figure 1: Conceptual Framework

Source: Researcher's design, 2023

2. RITERATURE REVIEW

2.1 Contract

Hutchison et al. (2018) defined a contract as an agreement entered in to voluntarily by two or more parties with an intention to create legally enforceable obligation(s). A contract entails voluntary promises between competent parties to do or not to do something which is enforceable by law. A contract may obligate a contracting party before receiving anything from the other side or even after calling the deal off; for example, after the supplier acknowledges the receipt of the purchase order, he is liable to deliver materials based on the delivery terms agreed. The same applies to all parties after contract closures in confidentiality issues where the parties agree not to disclose confidential matters for number of years after the contract closure.

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2.2 Contract Management

Contract management regarded also contract administration involves appropriate execution of the contract from inception to the end (Minahan, 2017). This is efficiently and systematic management of contract initiation and execution in order to maximize financial and operational performance with limited risk (Vitasek, 2011).

Contract management undertakes putting in place systems, processes, and networks achievement of objectives for the different parties involved in contract. Organizations convey key objectives and goals for the different parties involved in the agreement (World Bank, 2012). However, the common approach is by systematically planning, implementation and control of the activities of the contractor (Rendon, 2018). Most countries have also registered poor contract management as a result of a few companies having monopoly in the industry, resulting in poor quality works and inefficiencies (World Bank, 2012).

2.3 Project Performance

Project performance is the phase where visions and plans become reality (Lipsky, 2016). This is the logical conclusion, after evaluating, deciding, visioning, planning, applying for funds and finding the financial resources of a project. The success of projects in construction industry and management is complex (PMI, 2010). It requires the coordination of a wide range of activities, diverse institutional arrangements, and different time frames.

2.4 Project Time Performance

Project activities must have a deadline for completion and thus the project managers must pay much attention to the project time schedule. Project activities must be completed within the planned time period (Westland, 2016). Projects delays indicate additional costs due to delays in equipment and other items. The timing of the project should therefore be monitored and compared to the expected time for the project to be completed on time.

Improvements are needed to reduce losses. Proper planning and payment for customers is a key strategy for the development to avoid time overrun (Tumi, 2017). In addition, Gunduz (2015) suggested that time overrun can be avoided or reduced when their causes are well known. Abdul (2014) has shown an effective way to reduce and cure time overrun. The author described this approach as a good fit for the type of problems that lead to project delays. There have also been calls for increased productivity through shifting hours or jobs. In addition, meetings are regularly held in all activities to help understand project issues at the grassroots level.

Effective methods are used to reduce losses. Good planning and good customer service is the key to success in order to avoid overtime (Tumi, 2017). In addition, Gunduz (2015) suggested that time overrun could be prevented and reduced because the cause is known.

2.5 Project Quality Performance

According to Shapiro (2014), the project quality performance is measured with reference to the project specification and project design. The project objectives must be met with the specific quality as expected/planned. The effectiveness of the project quality must be measured against set standards.

The project quality performance as viewed by many researchers is one of the project performance indicators. The project management guidebook (2014) states that the success of a project is measured by the time it takes the cost and the quality of the measurement. The success of the project can be attributed to the achievement of the goals and objectives at the right time and in the same way as meeting or exceeding the requirements of the customers / partners or expectations.

2.6 Project Cost Performance

Westland (2016), argued that in order to avoid or reduce project cost overruns, the project must adhere to the planned budget. To reduce cost overruns, the auditing of expenditures at every stage of the project must be carried out.

The estimation of cost of project activities must be in line with the planned budget in order to meet the project objectives. Expenses incurred during the project must be recorded in a separate work account and this should be compared to the initial estimated cost. When the cost is in detail, the cost and project finances are considered to be monitored and controlled (Westland, 2016).

Budget projects must be thoughtful, achievable, or based on expensive contracts and activities mentioned. Budget planning is based on expensive history, good comparisons, or industrial engineering. The budget should reflect the required work schedule, the fund allocation agreement, and the management of the expected performance scales are the same strategy and include such things as good performance, number of jobs, high workload, and completion time (Kerzner, 2015). The value of Input and management skills is related to the equipment provided, the time schedule and the required working skills. Earning value management (EVM) is a systematic approach that uses the input of materials as a key tool in price matching, timing, operating techniques, management, and the consequences.

Changes always define a plan, technique of operation, or expensive separation from a specific plan. Cost is one of the most important indicators of the timing of a contract. The cost is to define the level in which all generous items promote comparable projects (Steinfort & Walker, 2017). The total cost of the project is not limited to procurement, but also includes various costs, and applications. The total cost of the project is the sum of the funds provided for completing the project.

The cost of operating can be measured by comparing the cost savings with any expensive project if there is a cost savings or excess. Cost can be measured in terms of price, percentage of net variance over cost (Chan & Chan, 2016). The performance of a typical project is seen as a combination of three components, cost, time and quality. Measuring the performance of a failed project or project depends on whether it meets the requirements or expectations. Cost-effective and cost-effective initiatives for project success begin. Success or failure of projects depends on the owners' perceptions of the value and the relative value. If the cost of a project is below the expected cost, the project is guaranteed to go well. Efficiency is a key element of a project that works with all components. So, it not only shows the benefits of the project but also the benefits of the individual or the product and the family's productivity at each stage of the project (Steinfort & Walker, 2017).

2.7 Project monitoring and evaluation

Dyason (2016) defined monitoring as ongoing process that focuses on the planned activities, set targets during the planning phase of the project. When monitoring is done properly, it offers a suitable evaluation base and can be an instrument for good project management. It helps to know whether one is doing as planned, if the project resources are enough, and whether they are properly used, and whether the capacity is adequate and suitable (Goyder, 2015).

On the other hand, evaluation is about impact of the project and outcomes. It is assessing the changes as regard to the predetermined results related to the intervention of a project or program (Goyder, 2015). Project evaluation helps the project managers to determine if the project has achieved the set goals and objectives and to arrive at decision on the project’s destiny. Monitoring and evaluating practices that show that the project / program results can be calculated at the level of impact, results, outputs, processes and ideas to provide a level of accountability and help to make informed decisions at the program and policy level.

The International Fund for Agricultural Development (IFAD) (2014) sees the monitoring and evaluation process as part of the design process because it confirms that there are sound reports; a process that combines results and presentation of questions, compares performance and effectiveness, ensures efficient distribution of resources, promotes ongoing learning and promotes positive decisions. Although monitoring and evaluating the implementation of projects is costly, at the same time the impact of the workforce, it is important in successful projects and should not be ignored at the beginning of the process (Khan, 2013).

It is therefore important to ensure that the management and the donor agencies take and focus on these issues and is committed to implementing the recommendations from monitoring and evaluation (Dyason, 2016). Participants understood the importance of assessment (Chaplowe, & Cousins, 2015). It is important for project implementers to be aware of the methods and ideas based on the monitoring and evaluation methods used (Ober, 2015). It is also important that the implementers of the program acknowledge the responsibilities of the method used, dedicate it, and feel that they have the right to persuade other stakeholders of their support and interests in the long run.

Project monitoring and evaluation should bring about a practical way to assess goals. Over time, that helps solve community problems. Shenhar (2017) said that community participation and capacity building are used in all programs. This means that the community must be directly involved in identifying their needs, explaining the objectives of the program, implementing the activities and monitoring and reviewing the program.

2.8 Public-private partnership overview

The social priorities with the managerial skills of the private sector, relieving government from the burden of large capital expenditure, and transferring the risk to the private sector. The public assets are transferred to the private sector as privatization, so the government decides to work together with the private sector to provide services.

Public-Private Partnership (PPP) describes a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies. These schemes are sometimes referred to as PPP or P3. Thus, PPP refers to a long-term contractual partnership between the public and private sector agencies, specifically targeted towards financing, designing, implementing and operating infrastructure facilities and services in the State (Sathana & Jesintha, 2011).

PPPs have the greatest potential to achieve efficiency gains by bundling responsibility for the initial capital investment with future maintenance and operating costs. This ensures that a firm has the right incentives to appropriately minimize operating and maintenance costs at the time of the initial investment (Eduardo et al., 2011). PPP involves the private sector in aspects of the provision of infrastructure or new or existing infrastructure assets or of new or existing infrastructure services that have traditionally been provided by the government. While many governments have traditionally reformed public utilities without private participation, it has become a growing fad to seek finance and expertise from the private sector to ease fiscal constraints and increase efficiency by engaging the private sector and giving it defined responsibilities, governments broaden their options for delivering better services and increasing the economic multiplier effects of engaging the private sector.

PPP is an agreement between government and the private sector regarding the provision of public services or infrastructure (Macdonald, 2017). According to McMurray (2006), it would appear that prior to the 21st century the philosophy of public governance was, by and large, increased dependence on the public sector and increased distrust of the private sector. According to Grimsey and Lewis (2004), these sectors were perceived to be so distinct from each other, so much so that their functions were also distinct with very little, if any, cooperation between them. The private sector is predominantly preoccupied with customer satisfaction; return on investment; and risk/reward evaluation. On the other hand, the public sector is traditionally preoccupied with public service delivery which encompasses, among others, responsibility; accountability; and risk avoidance (Grimsey & Lewis, 2004a).

Presently, a concept of co-operation between public and private sector to form an inter-organizational partnership has been widely acceptable and will continue to flourish, especially in the countries where the privatization process has been actively undertaken (Forrer, 2015). Traditional public service providers seem to be constrained in their ability to improve the quality-of-service delivery or even to maintain the current levels of service delivery. The participation of the private sector in the provision of public service is one option that needs consideration especially in the form of partnership with public organizations (Nisar 2007).

The Government of South Africa through its Treasury Regulation understands PPP as "a commercial transaction between an organization and a private party. This transaction is based on the commitments of private party such as - Performing an organizational function on behalf of the organization, acquiring the use of state property for its own commercial purposes, assuming the substantial financial, technical and operational function and/or use of state property and receiving a benefit for performing the organizational function or from utilizing the state property (Yong, 2010).

2.9 The effect of contract negotiation on the performance of PPP

Wilson and Putnam (2016) examined interaction goals in negotiation in the United Kingdom. Using a cross-sectional design, the study found that interaction goals of negotiators are arranged within a scheme that differs in two ways: the level of abstraction (local, regional, global) and type (relational, instrumental and identity). The study found that analysis of the goal could show how negotiation contexts affect outcomes and strategies, and ways in which expertise are developed by negotiators. Goals focus stresses that the negotiators act purposefully but with "bounded rationality," they continuously manage contradicting objectives, and portray negotiating behaviors which are driven by the interaction goals, but they frequently reframe these goals.

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Mein and Wilson (2011) examined the effects of interaction goals on negotiation methods and outcomes in Taiwan. These goals included after-care and maintenance terms, cost and terms of payment, money value, time of delivery as well as quality standards. The study used a descriptive research design and found that each time negotiators placed higher significant on competitive goals, they would always use additional distributive persuasion as well as lesser information' priority exchange methods, which decreased the profit of their counterparts; the competitive goals of the bargainers also made their counterparts to utilize lesser information' priority exchange methods, which in turn hinder their profit.

Negotiation needs a number of skills in order to have effective outcomes or results of the agreement. One of key skills that are needed in negotiation is soft skills. Soft skills are the ones that enable someone to effectively interact, engage and harmoniously with other people in any kind of conversation so as to have a common understanding between the parties involved (López-Fresno, Savolainen, and Miranda, 2017). As far as negotiation is concerned in purchasing contract management, the following are the key soft skills; communication skills, integrity/ trust, verbal and non-verbal communication and interpersonal relations or interactive.

2.10 Effect of contract implementation on performance of PPP

Good government/business relationships can serve the role of facilitator in the contract implementation process (Kamarck, 2017). Collaborating with private sector organizations is posited to be more efficient than traditional governance structures. In fact, both governmental agencies and suppliers are now advocating partnerships between governmental buyers and business sellers to facilitate the implementation of contracts (Kelman, 1990). With the increasing procurement of high-tech systems and services, collaborative and relational exchanges were required to realize the strategic goals for both government agencies and private business (Laurent, 2000).

Furthermore, facing downsizing and declining budgets, federal agencies are strongly motivated to find new ways of doing business focused on "faster, better, cheaper" (Linscott, 1999). Showing growing interests in the facilitator role of government/business relationships, agencies are reforming their pure transaction-based purchasing and attempting to explore the benefits of partnering with commercial entities (Murray, 2000). Public organizations try to streamline their Act (and a significant number of regulatory changes to dramatically decreased rigidity and bureaucracy (Kelman, 1990) and encouraged performance-based contracting, sharing-in-savings, and long-term contracting (Burman, 1998; Laurent, 1998). Purchasers may regard the implementation of contracts as the sole responsibility of suppliers, and may be inflexible to changing conditions and difficulties facing the suppliers. However, if public purchasers understand the need to cooperate with suppliers in order to realize the desirable objectives of the contract, then commitment is enhanced in the exchange process, and more likely to be responsive to suppliers' requests.

Sollish and John, (2015) stated that it is in the very nature of some widely used standard contracts, particularly for works, that they should have clear and comprehensive provisions allowing the contracting authority to change the nature, quantity, quality and completion of the subject of the contract. From a contract management point of view, it is advantageous to be able to address changing circumstances in a transparent, timely, efficiently, effectively and professionally manner coping the way the challenges of contract management are arise during Contract execution. Since the contracting period in government procurement differs greatly (from ten years long to a few days), the corresponding length of buyer-seller interactions differs greatly. It is reasonable to conclude that the contracting period will influence the facilitator roles of the relationships between government buyers and business sellers. When the buyers and sellers are involved in repeated exchange episodes, their relationships can experience awareness, exploration and expansion stages (Frazier, 1983) in an evolutionary style. The marketing literature has long recognized the importance of length of interaction in developing such relationship attributes as trust (Doney & Connon, 1997). In contrast, when the contract is short term, both parties will either develop intermitotic relationships (Lambe, et al., 2000), or involve little relational interactions.

When public managers choose not to enforce contract terms, and consequently, fail to obtain desired outcomes, public value can be compromised and tensions can be created between administrators and political principals. As such, contracting has raised key questions about discretion especially the potential for corruption and abuse in discretionary actions and the lack of accountability to citizens (Behn 200, Cohen and 30 Eimicke 2018). Discretion can open up the implementation process to manipulation and exploitation, particularly when resources are being allocated (Goodin 1988, as cited in Forsyth 1999), as in government contracting. Interviewed managers reported that discretion can also lead to confusion and inconsistency. Essentially, when discretion is used and the "rules of the game" are in constant flux, it can make management even more difficult, especially when operating in a severely resource-constrained environment Discretion also allows for greater flexibility and, as a result, increases efficiencies. New Public Management, with its emphasis on discretion and results-based management, is a direct response to the failures of rules and processes created by the political system (Morgan 1990).

Turning implementation over to public servants allows decisions to be based on information and competence instead of political goals, ultimately increasing efficiency in implementation (Forsyth 1999; Morgan 1990). Managers often need to balance the rigidity of rules with the flexibility of context, and discretion allows for subjectivity in decision making based on the unique requirements of the situation (Lipsky 2016)

2.11 The role of contract monitoring on the performance of PPP

Contract monitoring and evaluation encompasses the overall performance of the contract and of the acquiring entity's management of the contract. The evaluation of the operation of the contract and of contract outcomes is very useful in understanding and improving overall contract management, improving contractor performance and also assists in future stakeholder decision-making (Venkatraman & Ramanujam, 2015). An evaluation should be undertaken at the end of all contracts and should be planned for in advance. When a transition from one contract to another is to occur, it is better practice for an evaluation to be undertaken before the contract ends so that any problems that have occurred with aspects of the contractual arrangement are identified and, where appropriate, improvements made in the future contractual arrangements (Prosidian, 2014).

Evaluations can be conducted in-house by the acquiring entity or a third party can be contracted to undertake the evaluation (Smith, Peter, Damien & Peter, 2014). This latter approach has advantages in providing an independent view of the contracting arrangement. The organization should have the following for evaluation to be successful; an evaluation plan that sets out clear terms of reference, methods and sources of data collection and analysis, budget, clear timeframes and reporting arrangements; relevant skills to manage and conduct the evaluation (either inhouse or through contracted personnel); senior management support; an evaluation report in which conclusions are supported by the data; and recommendations that provide an indication of their likely benefits (Robson, 2013).For contracts, the evaluation should be a thorough and independent review that is informed by those involved in establishing and managing the contract. The evaluation will need to be tailored to the particular circumstances but should consider both the effectiveness and efficiency of the arrangement. To get the best out of the evaluation, entities should: review all aspects of contract performance and its management; provide feedback to the contractor; this should not be done as part of another procurement process; report to stakeholders; and identify lessons learned (Bartsiotas, 2014).

Kirkemann and Appelquist (2018) found out that in Asia, Danish-funded projects' implementation delays caused by reporting procedure problems. Approvals of quarterly reports consume too much time as it requires bureaucratic cycles of clarification. It is comparatively better in African projects. Nabulu (2013) posits that evaluation complements monitoring since monitoring systems shows that activities may be upsetting. Good evaluation information can help clarify the realities noted with the monitoring systems. Scrutinizing the data alone cannot tell how effective the government programs have been unless accompanied by systematic reports from the systems. Though PPP approach has fascinated a lot of practitioner's and academic clarifications, there is limited methodical review thus making the literature highly split (Kivleniece & Quelin, 2012). In the analysis of health PPPs projects, around the world, it is noteworthy that all-inclusive review of the literature and published empirical proof is meant to answer certain developmental questions such as would address the current state of PPP investigation and the emerging themes of interest for health research (Kwak et al., 2018). A study of 1400 PPP globally published work over twenty years indicates lack of cumulative development and that despite the long-term characteristic of PPPs, there is inadequate proof of report publications (Roehrich, Michael & George, 2014). The available literature does not show empirical analyses thus giving fruitful avenues to strengthen proof about lack of benefits of PPP events (Forrer et al., 2015). A survey of PPPs across EU provincial governments shows that most of the PPP's interventions are engaged in undertakings that are not part of the core public facilities. Limited reliable confirmation of PPPs is due to the unfitting methods used for computing cost reductions and accessing financial risks during the baseline and the summative evaluations (Roehrich, Michael & George, 2014). In most of the projects, there is little dissemination of lessons learnt from one PPP interventions to subsequent projects across inter-organizational linkages. Data on the long-term performance of PPPs are rare. Actual transaction support is limited and data is available at sparse levels on access, efficiency, quality and financial performance (World Bank, 2012).

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2.12 The challenges in stakeholder management of PPP

The challenges of stakeholder management in PPP, according to Li et al., (2013) are conflicts among parties, financial problems, cultural differences, contract expectation and communication gap. In another study, Yang et al., (2018) highlighted the challenges of stakeholder's management as: poor monitoring and feedback mechanism, involvement in decision making, civil unrest, political stability, delay in by-laws and regulations, and obtaining support from higher authorities. Yang et al., (2011) conducted a study on stakeholder in PPP and outlined the following impediments to stakeholder management: implementation of strategy based on schedule plans, non-adherence to specification, obtaining support from higher authorities, lack of economic stability, lack of progress meeting and ensuring effective communication between a project and its stakeholder. Li et al. (2012) outlined the barriers to stakeholder's management as slow in decision making, poor inflow of communication and information, lack of stakeholder involvement in stakeholder in decision making, delay in inspection and approval, quality of workmanship and political difference. In another study, Olander & Landlin (2015) highlighted the following as relating to stakeholder management: civil unrest and lack of political stability, change in by law and regulations, delay in site handover, delay in inspection and approval, challenges relating to cultural differences, poor monitoring and feedback mechanism, and lack of progress meeting, conflict with stakeholders.

Project stakeholders whether individuals, groups or organizations are likely to have conflicting interest, expectations or needs on projects which may be incongruent with that of the performing organization. If this identified conflicting interest is not well balanced or managed, it may lead to prolonged challenges on the project.

Kastner (2011), in his article for the project management hut (PM Hut) outlined three major sources of Stakeholder Management challenges namely unclear stakeholders, unidentified stakeholders and unreasonable stakeholders. Kastner explained the three (3) sources below

Unclear Stakeholders: Kastner considered stakeholders who do not clearly state their expectations and stakeholders who are not completely sincere or honest about their interests and expectations as unclear stakeholders since the impact of their challenge is the same. Kastner explained that unclear stakeholders may be inarticulate or less than candid. Usually there is a discrepancy between what the inarticulate stakeholder meant and what was written by using the stakeholder expectation matrix. The project manager then updates the stakeholder expectation matrix to reflect the correct expectations. Kastner explained that less than candid stakeholders may usually have negative past experiences which drives them to be insincere about their interest or expectations. He suggested that project managers can prevent this by making known to stakeholders why they are documenting expectations and how the information will be utilised or give stakeholders examples of life projects which failed due to the fact that stakeholders interest and expectations were wrongly documented.

Unidentified Stakeholders: According to Kasner, these are stakeholders who were not identified early in the project and this challenge can be reduced or eliminated by asking easily identifiable stakeholders during interview to list or name any other stakeholder they think should be included in the primary stakeholders list. He suggested that project managers must make known to identified stakeholders that, once they append their signatures or sign off on the matrix, it means that they agree that all stakeholders are identified. This serves as a proof to an unidentified Furious Stakeholders (UFS) that you (the project manager) are not the only one who was not able to identify them because they somehow were not able to make their relevancy to the project known, but the other identified stakeholders missed it too.

Unreasonable Stakeholders: Kastner (2011) defined unreasonable stakeholders as those who do not accept what some refer to as logic and the laws of physics. Kastner outlined some steps he deemed effective for dealing with unreasonable stakeholders. The steps are as follows: 1) project managers (PM) must be accommodating to suggestions or demands of unreasonable stakeholders, 2) PM's must maintain awareness of the approved constraints of the project and impacts or effects of those demands, 3) lay before the unreasonable stakeholder the approved or accepted options in the contract, 4) allow the unreasonable stakeholder to choose from approved options within the bounds of the project. Project managers are advised not to say no to unreasonable stakeholders, but give them the information within the limits of the project and impacts of their request and leave them to decide.

In order to achieve a successful project outcome, the project manager must have the knowledge and skill to detect potential challenges early and use the appropriate or tailored strategies to address them. Addressing challenges in a timely manner can aid project managers in maximizing the potential positive impact, while minimizing the potential detrimental impact that project stakeholders can have on the outcome of a project.

3. RESEARCH METHODOLOGY

3.1. Research design

This research used a descriptive survey research design using quantitative research methods. The researcher employed a closed-ended questionnaire for data collection and statistics for data analysis and presentation. The correlational research design was employed to test the nature of relationship between variables. Research design is the framework of research methods and techniques chosen by a researcher to conduct a study (Durkheim, 2015). The design allows researchers to sharpen the research methods suitable for the subject matter and set up their studies for success.

Leedy (2017) defines research design as a plan for a study, providing the overall framework for collecting data. MacMillan and Schumacher (2019) defined it as a plan for selecting subjects, research sites, and data collection procedures to answer the research question(s). They further indicate that the goal of a sound research design is to provide results that are judged to be credible. Generally, research design is regarded as a strategic framework for action that serves as a bridge between research questions and the execution, or implementation of the research strategy (Durkheim, 2015).

3.2. Target Population

Grinnell and Williams (2015) defined a population as the totality of persons or objects with which a study will be concerned. In this study the target population was comprised of employees and stakeholders of Kigali Logistics Platform (KLP). The total population was comprised by 167 people including freight-forwarding agents, customs officials, project team and professional staff of Kigali Logistics Platform (KLP).

3.3. Sampling technique

A sample is defined as all the people or classes selected to take part in the research, due to the nature of the research without also forgetting time, money and size of the institution as the major limitation of the assignment. However, for the sake of confidence in the research findings the researcher decided to use the whole population of 150 peoples as a census to collect enough data to inform the research.

Table 1: Distribution of respondents

Category	Population
Senior manager at KLP	14
Project management team member at KLP	27
Contract management team member at KLP	16
Middle manager at KLP	12
Sales team member at KLP	15
Logistics team member at KLP	15
Freight forwarder at KLP	20
Customs official at KLP	15
Other external Stakeholder	25
Total	**167**

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4. SUMMARY, CONCLUSION AND RECOMMENDATIONS

Table 14: Correlation between contract management practices variables and PPP performance

Contract management practices		PPP Project Performance
Contract negotiation	Pearson Correlation	.816**
	Sig. (2-tailed)	.000
	N	150
Contract implementation	Pearson Correlation	.763**
	Sig. (2-tailed)	.002
	N	150
Contract Monitoring and control	Pearson Correlation	.867**
	Sig. (2-tailed)	.001
	N	150
Stakeholder Participation	Pearson Correlation	.941**
	Sig. (2-tailed)	.000
	N	150

**. Correlation is significant at the 0.05level (2tailed).

Source: Researcher; Data Analysis, 2023

Statistics in table 14 shows the relationship between contract management practices and PPP project performance. From the table, it is shown that there is a positive relationship between Contract negotiation practices and PPP project performance on correlation coefficient of 0.816** and tailed p-value of 0.000 which is less than 0.05 thus implying that the found relationship is statistically significant. The results in the table also show that there is a positive relationship between Contract implementation and PPP project performance on correlation coefficient of 0.763**and tailed p-value of 0.002 which is less than 0.05. This shows that the found relationship is statistically significant.

Furthermore, the findings in the table indicates that there is a positive relationship between contract monitoring and control practices and PPP project performance on correlation coefficient of 0.867**and tailed p-value of 0.001 which is less than 0.05 showing that the found relationship is statistically significant. Findings also show that there is a positive relationship between stakeholder participation and PPP project performance on correlation coefficient of 0.941**and tailed p-value of 0.000 which is less than 0.05 implying a statistically significant relationship. It was therefore concluded that all contract management practices used in this study have a significant influence on PPP project performance. Project managers should therefore ensure the practices of these contract management variables for PPP project performance.

Table 15: Overall correlation between Contract management practices and PPP project performance

		PPP project performance
Contract Management Practices	Pearson Correlation	.875**
	Sig. (2-tailed)	.000
	N	150

**. Correlation is significant at the 0.05level (2tailed).

Source: Researcher; Data Analysis, 2023

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Table 15 shows the overall relationship between contract management practices and PPP performance. From the statistics in the table, it is shown that there is a positive relationship between contract management practices and PPP project performance on correlation coefficient of 0.875** and tailed p-value of 0.000 which is less than 0.05 showing that the found relationship is also statistically significant.

4.1 Summary of Major Findings

The main purpose of this study was to assess the relationship between contract management practices and the performance of PPP project in Kigali Logistics Platform, a PPP project between the government of Rwanda and DP World. The information was collected from 150 respondents using a questionnaire as main instrument of data collection. Quantitative data were analyzed using SPSS version 23.0 and presented in form of tables. Descriptive statistics such as frequency, percentage, mean and standard deviation were used to discuss the findings while Pearson correlation was employed to establish the relationship between contract management practices and PPP project performance.

4.2 Contract negotiation and the performance of PPP project

The findings on the first objective show that most of respondents revealed that contract negotiation practices have great impact on the performance of PPP project (mean=4.0). This strong mean of 4.0 implies that all contract negotiation variables studied influence PPP project performance.

The results on the first objective also indicated that there is a positive relationship between contract negotiation practices and the performance of PPP project on correlation coefficient of 0.816** and tailed p-value of 0.000 which is less than 0.05 implying that the found relationship is statistically significant.

4.3 Contract implementation and performance of PPP

The research findings showed that most respondents agreed contact implementation significantly affects the performance of PPP projects (mean= 4.08). This strong mean implies that all variables used to measure contract implementation practices have a significant effect on the PPP project performance.

The results on this objective also indicated that there is a positive relationship between contract implementation practices and performance of PPP project on correlation coefficient of 0.941**and tailed p-value of 0.000 which is less than 0.05 indicating that the found relationship is statistically significant.

4.4 Stakeholders' participation in decision making and the performance of PPP

Findings of the study show that stakeholder participation greatly influences the performance of PPP project as confirmed by the majority of respondents (mean= 3.79). The findings also show that there is a positive relationship between stakeholder participation and the performance of PPP project on correlation coefficient of 0.763**and tailed p-value of 0.002 which is less than 0.05 showing that the found relationship is statistically significant. Therefore, stakeholders should be well managed to ensure the PPP project performance.

4.5 Contract monitoring and control and performance of PPP

The findings of the study revealed that contract monitoring and control practices have great influence on the performance of PPP project (mean= 3.8). The findings on this objective also indicated that there is a positive relationship between contract monitoring and control practices and performance of PPP project on correlation coefficient of 0.867**and tailed p-value of 0.001 which is less than 0.05 statistically implying a significant relationship.

Overall, the study statistics shown that there is a positive relationship between contract management practices and PPP project performance on correlation coefficient of 0.875** and tailed p-value of 0.000 which is less than 0.05 showing a significant relationship between contract management practices and the performance of PPP project.

5. CONCLUSION

The aim of this study was to assess the relationship between contract management practices and the performance of Kigali Logistics Platform. The conclusion is based on the research questions that guided the study. The first research question stated ‘‘Do contract negotiation practices affect the performance of Kigali Logistics Platform?’’. The major findings for this research question revealed that contract negotiation practices have much contributed to the performance of Kigali Logistics Platform which denotes a strong relationship between contract negotiation and PPP project performance.

The second question that guided this research was ‘‘Does contract implementation affect the performance of Kigali Logistics Platform’’. The key findings on this research question revealed that contract implementation practices have a great positive effect on performance of Kigali Logistics Platform, a PPP project between the government of Rwanda and DP World.

Moreover, the third research question that guide this research was ‘‘To what extent does stakeholder participation affect the performance of Kigali Logistics Platform?’’. The key findings on this research question also revealed that stakeholder participation in contact decision making have a significant effect on the performance Kigali Logistics Platform. Lastly, the fourth research question stated that ‘‘How does contract monitoring and control affect the performance of Kigali Logistics Platform?”. The findings on this objective indicated that contract monitoring and control have a great impact on performance of Kigali Logistics platform which is a PPP project between the government of Rwanda and DP World.

5.1. Recommendations

This section outlines the major recommendation addressed to different stakeholders to improve the effectiveness of contract management practices and PPP project performance. Firstly, the study found that contract negotiation practices have influence on PPP project performance. It was therefore recommended that contract negotiation traits such as legal knowledge and financial skills of contract negotiators, performance-based contracting, technical knowledge of the project scope, and avoiding bad faith during negotiation process should be emphasized in order to improve the performance of PPP projects.

Secondly, contract managers should pay attention to contract implementation best practices in order to improve the performance of PPP projects. Furthermore, findings revealed that stakeholder involvement in contract decision making has a significant influence on PPP project performance. It is therefore, recommended that all PPP project stakeholders should be effectively involved in contract decision making to ensure impeccable performance. Monitoring and control of contract execution should be regularly carried out in order to improve the performance of PPP project as the study found that monitoring and control practices have a great impact on PPP performance.

Generally, the contract management practices should be applied systematically across PPP project lifecycle from initiation to the closure stage in order to improve project performance. Attention must be put on contract management practice due to the positive effect that it has on the performance of PPP project.

5.2. Areas for Further Research

During the process of this research, some areas for further research have been identified including but not limited to; assessing the impact of contract management practices in building sport infrastructures rather than logistics facilities in Rwanda. A similar study can also be carried out in rural areas to portray the situation. Another study can be carried out to assess the role of project stakeholders in improvement of PPP project performance. Further research is also needed to examine the effect of contract management practices on PPP project performance across all sectors in Rwanda.

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