EFFICACY OF THE PUBLIC PROCUREMENT LAW IN THE UNIVERSITY OF NAIROBI

OBARE CHRISTINE RAKAMBA

A Management Research Project Presented in Partial Fulfillment of the Requirements for the Award of the Degree of Master of Business Administration (MBA), School of Business, University of Nairobi

2013
DECLARATION

I declare that this research project is my original work and has not been presented to any institution for the award of any academic certificate.

OBARE, Christine Rakamba
D61/72991/2012

This research project has been submitted for examination with my approval as the University Supervisor.

Mr. Tom Kongere
School of Business
Department of Management Science
University of Nairobi
ACKNOWLEDGEMENTS

First of all, I give thanks to the Lord Almighty for giving good health to start and complete this project successfully, without Him, I would not have come this far.

I would like to take this opportunity to pass my heartfelt gratitude to all the people who played a big role in assisting me complete my study. To my supervisor, Mr. Kongere, thank you for your dedication, time and effort to guide me. Your comments, advice, criticism and suggestions are highly appreciated.

To my friends who continuously supported and encouraged me, thank you. My great appreciation is to my parents, brothers and sister who supported me financially, emotionally and physically to complete this project.

My greatest appreciation is to my angels, Randy, Prince Darryl and Terri, thank you for your patience and understanding. God bless you abundantly to achieve what you desire for in life.
DEDICATION

I dedicate this project to my angels Randy, Prince Darryl and Terri.
ABSTRACT

The objective of this study was to assess the efficacy of the Public Procurement Law in the University of Nairobi. The specific objectives were to determine organizational factors that affect effective implementation of the Procurement law in the UoN; to determine the effect of UoN’s procurement process on conformance to the Procurement law and to determine the efficacy of the procurement law in UoN. The study adopted a case study approach. The respondents were selected through purposive sampling from different UoN procurement departments. Data was collected through an interviewer administered questionnaire. The data collected was analyzed using SPSS and the findings were presented in tables, graphs and pie charts. The study targeted a sample of 32 respondents out of which 26 gave responses to the questionnaire giving a response rate of 81%. The study established that the principal organizational factors that affect procurement processes are; structure and role clarity, procurement plans, authorization process, types of goods and service procured and competency of procurement personnel. Quality of feedback and procurement techniques was found to be influential in PPDA compliance in UoN. On processes, the study observed that the UoN procurement processes are clear with clear reporting lines and channels of communication. The procurement law has improved the level of transparency in procurement and the quality of goods and services delivered by suppliers. The greatest weakness of the procurement law is that it has reduced the speed of procuring goods and services at UoN. In assessing the efficacy of the procurement law in UoN, the study established that PPDA had improved the competitiveness of the procurement processes in UoN, improved the quality of goods and services delivered, increased transparency in procurement and finally it promoted ethical standards among UoN procurement staff. These outcomes have strengthened the degree of compliance to the Procurement Law and conformance to the PPDA objectives. One weakness that the study observed is that PPDA has slowed down the procurement process due to the bureaucracy involved thus leading to low effectiveness. In conclusion, the findings from UoN may to a large extent confirm that the procurement processes and practices in UoN conform to the PPDA objectives hence there is high efficacy of the procurement law in UoN.
# TABLE OF CONTENTS

DECLARATION .................................................................................................................. i
ACKNOWLEDGEMENTS ................................................................................................. ii
DEDICATION .................................................................................................................... iii
ABSTRACT ....................................................................................................................... iv
LIST OF ABBREVIATIONS ............................................................................................. vii
LIST OF TABLES ............................................................................................................. viii
LIST OF FIGURES ......................................................................................................... ix

**CHAPTER ONE: INTRODUCTION** ......................................................................... 1

1.1 Background ........................................................................................................... 1
  1.1.1 Efficacy of Public Procurement Law in Kenya ........................................... 2
  1.1.2 University of Nairobi .................................................................................. 4
1.2 Statement of the Problem ..................................................................................... 6
1.3 Research Objectives .............................................................................................. 8
1.4 Value of the Study .................................................................................................. 9

**CHAPTER TWO: LITERATURE REVIEW** .......................................................... 10

2.1 Introduction ......................................................................................................... 10
  2.2 Theoretical Framework of the Procurement Law ........................................... 10
  2.3 Organizational Factors and Procurement Law Implementation ..................... 12
  2.4 Public Procurement Process and PPDA Implementation ............................. 15
  2.5 Efficacy of Public Procurement Law ............................................................... 18
  2.6 Proposed Conceptual Framework .................................................................. 20
  2.7 Empirical Studies ............................................................................................. 22
  2.8 Theoretical Review .......................................................................................... 23
  2.9 Research Gaps ................................................................................................ 24

**CHAPTER THREE: RESEARCH METHODOLOGY** ........................................ 25

3.1 Introduction ........................................................................................................ 25
3.2 Research Design ................................................................................................. 25
3.3 Selection of the University of Nairobi .......................................................... 26
3.4 Data Collection .............................................................................................. 26
3.5 Data Analysis .................................................................................................. 27

CHAPTER FOUR: DATA ANALYSIS, INTERPRETATIONS AND DISCUSSIONS 28
4.1 Introduction ..................................................................................................... 28
  4.1.1 Response rate ............................................................................................ 28
4.2 Demographic information ............................................................................... 30
4.3 Organizational Factors and Efficacy of PPDA in UoN ...................................... 32
4.4 Procurement Process Implementation ............................................................. 35
4.5 Procurement Outcomes ................................................................................... 36
4.6 Efficacy of the Procurement Law .................................................................... 37

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS 41
5.1 Introduction ..................................................................................................... 41
5.2 Summary of the findings .................................................................................. 41
5.3 Conclusion ....................................................................................................... 42
5.4 Limitations of the Study .................................................................................. 43
5.5 Recommendations ........................................................................................... 44
5.6 Suggestions for Further Research ................................................................. 46

REFERENCES ....................................................................................................... 47
APPENDICES ......................................................................................................... 51
# LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAC</td>
<td>Development Assistance Committee</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>GOU</td>
<td>Government of Uganda</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
</tr>
<tr>
<td>PDEs</td>
<td>Procurement and Disposing Entities</td>
</tr>
<tr>
<td>PPARB</td>
<td>Public Procurement Administrative Review Board.</td>
</tr>
<tr>
<td>PPDA</td>
<td>Public Procurement and Disposal Act</td>
</tr>
<tr>
<td>PPDR</td>
<td>Public Procurement and Disposal Regulations</td>
</tr>
<tr>
<td>PPN</td>
<td>Public Procurement Network</td>
</tr>
<tr>
<td>PPOA</td>
<td>Public Procurement Oversight Authority</td>
</tr>
<tr>
<td>PPOAB</td>
<td>Public Procurement Oversight Advisory Board</td>
</tr>
<tr>
<td>SWA</td>
<td>Student Welfare Authority</td>
</tr>
<tr>
<td>TC</td>
<td>Tender Committee</td>
</tr>
<tr>
<td>TEC</td>
<td>Tender Evaluation Committee</td>
</tr>
<tr>
<td>TER</td>
<td>Technical Evaluation Report</td>
</tr>
<tr>
<td>TOC</td>
<td>Tender Opening Committee</td>
</tr>
<tr>
<td>UoN</td>
<td>University of Nairobi</td>
</tr>
<tr>
<td>UPDM</td>
<td>University of Nairobi Procurement and Disposal Manual</td>
</tr>
<tr>
<td>UPSC</td>
<td>University of Nairobi Procurement Service Charter</td>
</tr>
<tr>
<td>USC</td>
<td>University of Nairobi Service Charter</td>
</tr>
</tbody>
</table>
LIST OF TABLES

Table 1: Response Rate ........................................................................................................30
Table 2: Confidentiality is guaranteed during the procurement process .......................34
Table 3: Procurement Process Implementation ..................................................................36
Table 4: Procurement Outcomes .........................................................................................37
Table 5: Efficacy of the Procurement Law .........................................................................39
LIST OF FIGURES

Figure 1: Procurement process ................................................................. 16
Figure 2: Analytical Framework ............................................................ 21
Figure 3: The UoN Structure and PPDA Compliance ................................. 32
Figure 4: Sufficiency of Staffing in Procurement Department ..................... 34
Figure 5: Procurement Techniques & Methods in UoN ............................ 35
Figure 6: Feedback from users on satisfaction levels ................................. 36
CHAPTER ONE: INTRODUCTION

1.1 Background

The public procurement system in Kenya has evolved to an orderly and legally regulated system governed by the Public Procurement and Disposal Act (PPDA) (2005) and subsequent regulations of 2006 and 2009. Prior to this, the Central Government was governed by Treasury Circulars from 1969, then the Supplies Manual of 1978, before the promulgation of the Exchequer and Audit (Public Procurement) Regulations, 2001 (Juma, 2010).

The Public Procurement and Disposal Act, of 2005 was assented to on 26th October 2005 (revised in 2009) to establish procedures for procurement and the disposal of unserviceable, obsolete or surplus stores and equipment by public entities. With the gazettlement of the subsidiary legislation, the Public Procurement and Disposal Regulations (PPDR) of 2006, the law became operational on 1st January, 2007 (Kirugu, 2010).

The PPDA, 2005 sought to bring coherence and uniformity in public procurement as well as improve efficiency, transparency and accountability and value for money in public procurement. It also sought to eliminate corruption and allow for fair competition among others. The Act therefore was not only intended to ensure that public procurement maximizes the public good but also that market forces are allowed to function properly during the process of procurement (PPDA, 2005).
1.1.1 Efficacy of Public Procurement Law in Kenya

The Oxford Dictionary defines efficacy as the ability of something especially a drug or a medical treatment to produce the results that are wanted. Efficacy can therefore be used with effectiveness interchangeably to mean the ability to produce the desired results. The term efficacy in this context is used to refer to the effectiveness of the public procurement law in Kenya to achieve the government’s objectives.

According to the Oxford Dictionary, Procurement is the process of obtaining supplies of something, especially for a government or an organization. PPDA (2005) defines procurement as the acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or by any other contractual means of any type of works, assets, services or goods including livestock or any combination with the prime goal of gaining value for money (p.54). In the context of the study, procurement is a formal process of acquiring goods and services for the University of Nairobi (UoN). The procurement law refers to the PPDA which is referred to as the Act.

According to the PPDA (2005), public procurement refers to public entity making procurement. The PPDA (2005) defines public entity as the Government or any department of the Government, the courts, the commissions established under the Constitution, a local authority under the Local Government Act, a state corporation, the Central Bank of Kenya, a co-operative society established under the Co-operative Societies Act, a public school, a public university, a college or other educational institution maintained or assisted out of public funds (p.55). The UoN is a public university hence the applicability of the PPDA. Public procurement refers to the
acquisition of goods, services and works by a procuring entity using public funds (World Bank, 1995a). The PPDA (2005) defines public funds as monetary resources appropriated to procuring entities through the budgetary process as well as extra budgetary funds, including aid grants and credits, put at the disposal of procuring entities by foreign donors, revenues of procuring entities (p.56).

Ndung’u (2010) states that Public Procurement Oversight Authority (PPOA) has been carrying out Procurement and Disposal Reviews of the Kenya’s public procurement system in order to establish its state of compliance with the procurement law, circulars and directives issued by the Authority. The principal goal of this exercise is to help entities develop capacity building programs to enable them better apply the provisions of the procurement law. The reviews are carried out pursuant to Section 49(1)(a) of the Public Procurement and Disposal Act, 2005 with the purpose of ensuring that public procurement and disposal activities are conducted in a manner that promotes transparency, accountability and fairness (Ndung’u, 2010).

According to Okello (2009), adherence to procurement law and regulations improves transparency, competitiveness, value for money and increases efficiency. A study by Akapumuza, Bakunda, Kayongo et al (2008) developed a conceptual framework for assessing the efficacy of the Public Procurement Law in Uganda. The study established that indicators of efficacy are conformance to specifications, satisfaction of user departments, compliance to the PPDA and achievement of PPDA objectives. Kihara (2009) also notes that there is an increasing need for procuring entities to establish an
internal compliance program for all procurement processes by everyone in the organization. Consequently, this study applied the established efficacy indicators by Akapumuza et al (2008) to assess efficacy of the PPDA in the UoN.

1.1.2 University of Nairobi

The University of Nairobi (UoN), a body corporate established by an Act of Parliament Cap 210 of the Laws of Kenya is the pioneer institution of University Education in Kenya. The University of Nairobi has diversified academic programmes and specializations in sciences, applied sciences, technology, humanities, social sciences and the arts. To date, the range of programmes offered number approximately two hundred. UoN has six colleges headed by Principals and each college has a dedicated procurement office (UoN Service Charter (USC, 2010).

The procurement department is in Central Administration and deals with acquisition of goods, services and works for the University. It also deals with coordination of disposal of unserviceable, obsolete or surplus stores, assets and equipment In order to carry out the above function, the department is guided by the PPDA of 2005 and PPDR of 2006. The department is headed by the Procurement Manager and has two deputy procurement managers; one at the tender secretariat and the other in charge of the Student Welfare Authority (SWA). The Procurement Department is both centralized and decentralized with procurement sections in all the six colleges, Central Administration and the SWA (UoN Procurement Service Charter (UPSC, 2010).
According to the UPSC (2010), the University’s procurement mission is to provide user departments, suppliers and stakeholders with world class goods and services that add value by meeting their needs and expectations at the lowest cost possible. To realize this commitment, the procurement department has set the following strategic objectives: to ensure continuous supply of goods and services; to develop reliable supply sources for goods and services; to reduce the overall expenditure on purchases; to enhance service delivery to customers; to contribute towards improvement of the University corporate governance; to enhance institutional capacity of Procurement Department; and, to contribute to development of the procurement profession.

UPSC (2010) and UoN Procurement and Disposal Manual (UPDM, 2008) state that the Accounting and Authorizing Officers are the Vice Chancellor, and the Deputy Vice-Chancellor (Administration and Finance) while at the college level is the Principal of the College. The procurement of goods, works and services amounting to less than Kshs.500,000.00 is approved by the respective college procurement committees whereas, any procurement above Kshs.500,000.00 is approved by the Tender Committee. UoN has only one Tender Committee which deliberates and adjudicates all procurement for values exceeding Kshs.500,000.00.

According to the UPSC (2010), UoN uses all the methods of procurement; however, the open tender method is most preferred for prequalifying suppliers for commonly used goods, works and services. In this method, the tender is advertised in at least two local dailies. Tenders are opened at least 21 days after the advertisement by a Tender Opening
Committee (TOC) appointed by the Vice-Chancellor. Tenders are evaluated by a Technical Evaluation Committee (TEC) appointed by the Vice-Chancellor. Awards are by the Tender Committee (TC) on receipt of the Technical Evaluation Report (TER) and analysis by the Tender Secretariat. Notices of the ongoing tenders are displayed in the UoN offices and website. All tenderers are free to attend the tender opening meeting for the respective tenders (UPSC, 2010 & UPDM, 2008). Other methods used are restricted tender, direct procurement, request for quotations and request for proposals. The university policy is that all commonly used items are stocked by the business centre and user departments are purchased from there.

1.2 Statement of the Problem

Countries both in developed and least developed countries have instituted procurement reforms involving laws and regulations. The major obstacle however, has been inadequate regulatory compliance. This position is supported by Gelderman, Ghijsen & Brugman (2006) who contend that compliance in public procurement is still a major issue. Hui (2001) established that procurement officers were blamed for malpractice and non-compliance to the procurement policies and procedures in Malaysia. Non-compliance leads to poor efficiency and effectiveness and as a result low efficacy contrary to the objectives of the Procurement Act (Akapumuza et al, 2008).

UoN presented itself as a category of the public procurement entities and provided suitable ground to conduct the assessment of the efficacy of the procurement law. According to UoN Procurement Newsletter (UPN) (2013), the UoN is scheduled for a
review which is meant to establish the extent to which the University is complying with the Public Procurement and Disposal Act and identify areas that need strengthening in order to fully comply. According to the PPOA Reviews (2011), the non-compliance in the PPDA, 2005 has affected the effectiveness of procurement functions and processes in public institutions. Mokaya (Issue 0001, 2013) notes that the greatest concern for the internal stakeholders relates to the inconveniences the bureaucratic procurement process causes.

According to Akapumuza et al (2008) the interaction of the PPDA with established organization structures and the existing procurement personnel have an effect on the procurement process and implementation of PPDA. Akapumuza et al (2008) proposed conceptual framework whereby the procurement operations determine the quality of the procurement outcomes and the achievement of the procurement law objectives. Akapumuza et al (2008) did a literature review to develop the framework although he did not implement it. This study used the proposed framework to assess the efficacy of the PPDA, 2005 on the procurement processes and outcomes in the UoN.

Aleri (2012) focused on Kisumu County only; his study failed to capture all public institutions and more specifically public Universities and how exactly they are implementing the Public Procurement Law. The context for this study was limited. Achuora, Arasa & Ochriri (2012) focused on procurement audits in Kenya. The audits did not look at how effective the procurement law is. The scope of Mutava (2010)’ was narrow in that he focused on the impact of public procurement procedures on delivery of
maintenance works. Ngari (2012) did not explore the procurement issues in UoN. Tadeo, Karuhanga & Mukokoma (n.d); Eyaa & Oluka (2011); and Akapumuza et al (2008) all did studies on compliance and efficacy in the context of Uganda. None of these studies has addressed efficacy of procurement law and more especially in the Kenyan context. All these studies failed to incorporate efficacy of PPDA in Kenya and more specific UoN, as will be done in this study. The researcher asked questions such as: are there any UoN organizational factors which influence the legal and national setup of PPDA, 2005 and to what extent do they affect the implementation of the PPDA, 2005? and, what are the effects of the procurement processes used in UoN on the effective implementation of PPDA, 2005?

1.3 Research Objectives

The general objective of the study was to assess the efficacy of the Public Procurement Law in Kenya.

The specific objectives were:

i. To determine organizational factors that affect effective implementation of the Procurement law in the UoN.

ii. To determine the effect of UoN’s procurement process on conformance to the Procurement law.

iii. To determine the efficacy of the procurement law in UoN.
1.4 Value of the Study

While this study may be of value to any person interested in procuring any service in the Kenyan public sector, it is hoped that the findings will benefit the Government and the policy makers such as PPOA and the UoN management as they will gain insight on the use of the PPDA, 2005 and the PPDR, 2006. It will also facilitate customization of procurement practice across all Procuring Entities in Kenya.

The study will contribute to the existing literature in the field of procurement and expanding the syllabus. Future scholars can use this research as a basis for further research in the area of procuring goods and services at the UoN.

The study will increase the confidence that potential as well as active vendors have in the execution of procurement procedures at the UoN. This will lead to a wider participation in tenders with subsequent improvements in the effectiveness of competition.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Public procurement refers to the acquisition of goods, services and works by a procuring entity using public funds (World Bank, 1995). The PPDA (2005) defines procurement as the “acquisition by purchase, rental, lease, hire, license, tenancy, franchise, or by any other contractual means of any type of works, assets, services or goods including livestock or any combination”.

There is limited literature on public procurement practices in third world countries (Evenett, 2004), the little that is available reveal that practices vary across nations and they are influenced by legal, political, and social forces (Telgen, 2007). Procurement is a tool through which governments in third world countries use to influence social and political outcomes (Evenett, 2004 & Telgen, 2007).

2.2 Theoretical Framework of the Procurement Law

In general, public procurement operates as a system. Public procurement combines a set of interrelated elements which also interact closely and continuously to generate outputs. Thai (2001) identified five elements to characterize the public procurement system that include: policy making and management; procurement regulations or laws; procurement authorization and appropriations; public procurement function or operations; and lastly feedback. According to Thai (2001), the procurement regulations or laws established by policy makers is the institutional framework within which procurement professionals and
program managers implement their authorized and funded procurement programs or projects/activities.

Government procurement is one of the four economic activities of government. The others are: redistributing income through taxation and spending, provision of public goods and services, and lastly providing the legal framework for economic activities to flourish. In order to develop a uniform government procurement practice that can be compared across various public organizations, it has become necessary to develop formal government procurement codes that contain formal procurement rules and regulations across a number of countries both developed and developing. For the poor developing countries, government procurement regulations and procedures have been one of the reform areas since early 2000 (Thai, 2001; OECD, 2007). By 2003, all East African Countries, Uganda, Kenya, and Tanzania had enacted government procurement codes as Acts of Parliament and have been implemented since (OECD, 2003). In Uganda, a new law to regulate public procurement was introduced in the year 2002 (Akampauma et al, 2008). The new procurement law was introduced to not only bring coherence and uniformity in public procurement but also to improve efficiency, transparency and accountability and value for money in procurements. It also eliminates corruption and allows for fair competition (GOU, 2003). PPN (2010) concurs with this statement by noting that The European Union public sector procurement should follow transparent open procedures ensuring fair conditions of competition for suppliers.
In Kenya, the Public Procurement and Disposal Act, of 2005 was assented to on 26th October 2005 (revised in 2009) to establish procedures for procurement and the disposal of unserviceable, obsolete or surplus stores and equipment by public entities. With the gazettement of the subsidiary legislation, the PPDR of 2006, the law became operational on 1st January, 2007 (Kirugu, 2010). The Act established three independent bodies; an oversight body, the PPOA, Public Procurement Oversight Advisory Board (PPOAB) and the Public Procurement Administrative Review Board (PPARB).

2.3 Organizational Factors and Procurement Law Implementation

Several organizational factors in the procurement entities seem to be influenced by the legal and national institutional set up of public procurement (Akapumuza et al, 2008). These organizational factors include procurement budget adequacy, the requirements for procurement planning, the organization structure including the definition and re-definition of the roles and responsibilities of different organs within procurement entities. Others include the level of the procurement function within the organizational hierarchy, the length of the procedure for authorization and others. The level of the procurement function within the organizational hierarchy influences the speed at which procurement decisions can be taken and the efficacy of implementation (Thai, 2011).

Most developing countries are facing a problem of rapid changes in public procurement requirements. The changes are impacting pressure on how the procurement function performs its internal and external processes and procedures in order to achieve its objectives. The ability to realize procurement goals is influenced by internal force and
external force. Interactions between various elements, professionalism, staffing levels and budget resources, procurement organizational structure whether centralized or decentralized, procurement regulations, rules, and guidance, and internal control policies, all need attention and influence the performance of the procurement function. In addition, public procurement is faced by the challenges imposed by a variety of environment factors (external factors) such as market, legal environment, political environment, organizational and socio-economic environmental factors (Hui, 2001).

Although the interaction between the public procurement law and budgetary appropriations to procurement entities appears indirect, the adequacy of budget allocation may affect the efficiency with which procurement operations are implemented and the degree of compliance with the law (Thai, 2001). Akapumuza et al (2008) say “types of goods and services procured sometimes influence the degree of compliance with the procurement regulations that may be achieved during the procurement process. Differences in external environmental conditions such as differences in competitive conditions, whether the product is locally available or has to be imported and others may influence the level of compliance to the procurement laws and policies”.

According to Jensen and StoneCash (2004), stipulating the procurement standards and procedures to be complied with indirectly influences the competencies of the staff to be put in charge of procurement operations. According to Thai (2001), the public procurement function should be handled by a professional workforce equipped with needed skills and knowledge through training. Thai (2001) also suggested that generally,
higher education institutions and educators have not recognized the educational needs of public procurement professionals. According to Raymond (2008), professionalism in public procurement relates not only to the levels of education and qualifications of the workforce but also to the professional approach in the conduct of business activities. If the workforce is not adequately educated in procurement matters, serious consequences; including, breaches of codes of conduct occur. De Boer and Telgen, (1998) attributed non-compliance in public procurement to lack of purchasing professionalism in the public sector.

According to Thai (2001), the quality of procurement and procurement related workforce influences the efficiency of the procurement process and the degree of compliance to procurement laws, regulations and policies. The number of staff in the procurement function in an organization should be sufficient for the procurement task in a specific procurement entity. Although no specific formula is provided, organizations are expected to achieve a balance between the size of the procurement task, probably by the volume and frequency of procurement transactions and the procurement values involved. Thai (2001) alludes to the fact that higher value transactions require more care and time in executing them. This may require more staff where such transactions are relatively frequent. In the end, this influences the quality of procurement outcomes and the achievement of the objects of the procurement law (Akapumuza et al, 2008).

Procurement professionals and personnel have responsibilities of making sure that operational agencies comply with procurement regulations and directly procuring goods,
services, and capital assets as authorized and funded Thai (2001). In order to effectively provide feedback, procurement professionals have to be well equipped with a set of skills and competencies, techniques and methods and process management skills which are pertinent to their work. Jensen and StoneCash (2004), Aniekwu and Okpala (1987); and Enshassi (1999) suggest that the core procurement methods and techniques required by procurement professionals include: negotiation skills, price analysis, cost analysis, and procurement cycles.

2.4 Public Procurement Process and PPDA Implementation

The procurement process follows a carefully established procedure. This process involves several stages as diagrammatically depicted and explained in figure 1. A specification is simply a definite description of what is needed or wanted for use by the user. The user must approve specifications. There are standard tender documents for each type of procurement. All procurement entities are supposed to use the standard tender documents as provided by the PPOA. Tenders must be advertised in order to give equal opportunity to all suppliers in the local area. Tenders are to be received and opened in the manner stated in the tender documents. For the purpose of receiving tender bids, each organization maintains a tender box and a tender register. Tenders are opened by a tender committee of at least three members. Bidders are then allowed to attend the tender opening to witness the process of opening (PPDR, 2006; PPDA 2005, PPOA, 2010 & UPDM, 2011).
Preliminary evaluation should lead to the decision of who to evaluate technically. The technical evaluation will be conducted by the technical evaluation committee on resources, equipment, legality and other related matters. The financial evaluation will be conducted by secretariat but only on the bidders who have been technically qualified. Awards should be made to the lowest evaluated bidder for standard off-the-shelf items, and to the best evaluated bidder for specialized items. Awards by tender committee shall be final and binding unless successfully appealed against or vetoed by the authorized person of the committee. After the contract award by the tender committee the manager ensures that the contract is prepared and be signed by the two parties to the contract. After the contract is signed the supplier/contractor shall be responsible for performing the contract in accordance with the terms and
conditions of the contract and the relevant committee shall be responsible for the management of the contract (PPDR, 2006; PPDA 2005, PPOA, 2010 & UPDM, 2011).

Alternative procurement procedures include restricted tendering method which is used in procuring large and complex goods, services or works. The procedures are similar to those used in open tendering, except that the invitations to tender are addressed to a limited number of qualified candidates. Direct procurement means procuring directly from a particular provider. This procurement method may be used for goods, works and services without any limit provided the following conditions are fulfilled there is only one person who can supply the goods, works or services being procured there is no reasonable alternative or substitute or there is an urgent need for the goods, works or services being procured, and because of the urgency, the other available methods of procurement are impracticable, and the circumstances that gave rise to the emergency were not foreseeable and were not as a result of dilatory conduct on the part of the procuring entity. Request for proposals is only applicable for procurement of services. There is no maximum value for a procurement using this method. The procurement is initiated by the head of the user department, the contract is awarded by the tender committee, and the contract is signed by the head of the procuring entity or accounting officer. Request for quotations is used for the procurement of goods, works and services, this method can be used up to a maximum level of expenditure of Kshs. 1 million, 2 million, and 1 million respectively (PPDR, 2006; PPDA 2005, PPOA, 2010 & UPDM, 2011).

A low value procurement method may be used to procure for goods, works, or services whose value does not exceed Ksh. 30,000. There is no minimum value. In accordance with section 92(1-4) a procuring entity may use a procurement procedure specially permitted by
the authority which may include ‘concessioning’ and design competition where concessioning means a procurement that encourages the mobilization of private sector resources for the purpose of public financing, construction, operation and maintenance e.g. build-own-operate while ‘design competition’ means procurement procedure for obtaining competitive bids for services which are creative in nature (PPOA, 2010; PPDR, 2006).

Having the procurement process organized effectively is an important area of effort, as the procurement process may be a mean for a department to reduce transaction costs associated with procurement. The different steps of the supply process have to be executed with the sufficient care. The procurement process cycle intends to show the different stages to be considered. (plan, implement and manage).

2.5 Efficacy of Public Procurement Law

Thai (2001) identified five elements that characterize the public procurement system that is; policy making and management; procurement regulations or laws; procurement authorization and appropriations; public procurement function or operations, and lastly feedback. According to Thai (2001), the above elements of the public procurement system interact closely to determine the efficiency and effectiveness of the public procurement system as a whole in a particular country. By extension, however, these are the elements that are ultimately responsible for the efficiency and effectiveness of the procurement activities in any particular public procuring entity.

Increasing the effectiveness, efficiency and transparency of public procurement systems has become an ongoing concern of governments and of the international development
community (OECD, 2006). In public sector performance measurement, accountability is the central concern (Heinrich, 2007). Performance measurement is viewed as a warning, diagnosis and control system, that is used to keep track of economy (looking back), efficiency (current organizational process), effectiveness (output in the short term) and efficacy (output in the long term; also called outcome) (Teelken and Smeenk, 2003).

The Uganda procurement system was assessed in 2007 using the methodology for assessment of national procurement systems, a tool that was developed under the auspices of the joint World Bank and OECD Development Assistance Committee (DAC) round table initiative. The tool that was made up of Baseline Indicators and Compliance and Performance Indicators was intended to provide a common tool which developing countries and donors can use to assess the quality and effectiveness of national procurement systems (Sabiiti, Muhumuza, and Basheka, n.d).

An evaluation on impact and effectiveness of EU Procurement Legislation (EU, 2011) makes an assessment of whether EU procurement policy is achieving its objectives in a proportionate way. EU (2011) conducted two surveys to look into specific issues. One questionnaire to the members of the European Business Test Panel was used to investigate further the reasons why companies did not actively participate in cross border procurement and what problems or barriers they had encountered when they did. The other, a Euro barometer survey carried out in early 2011, including several procurement specific questions directed at the general public to measure the extent of their understanding and opinion of the EU public procurement rules.
In Kenya, PPOA has been spearheading a number of initiatives aimed at improving and sustaining compliance with the procurement law in the public procurement system. Some of these initiatives are Procurement and Disposal Reviews, procurement assessments and attending to complaints by the stakeholders. Equally, PPOA has been carrying out Procurement and Disposal Reviews of the Kenya’s public procurement system in order to establish its state of compliance with the procurement law, circulars and directives issued by the Authority. The principal goal of this exercise is to help entities develop capacity building programs to enable them better apply the provisions of the procurement law. The reviews are carried out pursuant to Section 49(1) (a) of the Public Procurement and Disposal Act, 2005 with the purpose of ensuring that public procurement and disposal activities are conducted in a manner that promote transparency, accountability and fairness. The exercise is conducted in selected procuring entities with the long term goal of reviewing all public entities (Ndung’u, Issue 5, 2010).

Walker and Sidwell (1996) say that performance quality should not be measured on the basis of time and cost only but also service quality as well other relevant measures. Compliance is a problem not only in the third world countries, but even countries in the European Union (Gelderman 2006, Boer, 1998).

2.6 Proposed Conceptual Framework

Akapumuza (2008)’s literature review postulated that the efficacy of a procurement law is determined principally by two sets of factors. These are the organizational factors of
the procuring entity and the quality of procurement personnel and competencies particularly the degree of professionalism, knowledge and skills and the degree of knowledge integration. The principal organizational factors include the organizational structure, the level of budget adequacy, especially with regard to the procurement function, role clarity of different organs regarding the procurement process and the authorization process and levels of communication; and lastly the type of goods and services procured. Thai (2001) also asserts that the above sets of factors influence the implementation of the procurement process that ultimately determines the quality of the procurement outcomes and the achievement of the procurement law objectives. The visual representation of the analytical framework is shown below.

**Figure 2: Analytical Framework**

![Analytical Framework Diagram](image_url)

**Source:** Akapumuza (2008)
The above proposed conceptualisation has some implications for research on public procurement. Firstly, it suggests that organisational factors, particularly structure and role clarity, the budget adequacy, the quality of procurement plans and the authorization process and levels of communication are critical to the assessment of the efficacy of public procurement laws. However, organizational factors intimately interact with personnel factors such as the degree of professionalism, adequacy of staff in relation to procurement task, level of general procurement knowledge and skills, degree of knowledge integration to significantly influence procurement operations. This interaction is highlighted as a primary influence on efficacy in public procurement. Secondly, the degree of compliance to the procurement law and the degree to which objects of the law are achieved are directly dependent on procurement techniques and methods employed, compliance effort exhibited, the quality of feedback and the general process efficiency. Thirdly, external political, social and economic influences as well as the nature of the external feedback system are still key influences on public procurement efficacy. They have to be controlled for to maximize such efficacy (Akapumuza, 2008).

2.7 Empirical Studies

OECD (2000) developed public procurement review procedures which are intended to guarantee effective remedies for complaints in public procurement. The paper guides central and eastern European countries that are seeking to join the European Union on how to identify the public procurement review procedures best suited to each country’s specificities.
Thai (2001) developed a model depicting the scope of public procurement. The scope has five elements that is policy-making and management; authorizations and appropriations; procurement regulations; procurement function in operations (processes, methods, organizational structure, and procurement workforce; and feedback). Akapumuza et al (2008) applied the procurement function in operations to develop a model for assessing efficacy in public procurement. According to the study on cost and effectiveness of public procurement procedures in Europe (EU, 2011), a Eurobarometer survey was adopted. Two thirds of those surveyed agree that EU wide rules help improve public procurement process. A composite measure was developed using a Linkert scale. Questionnaires for procurement officials were developed. The study measured how respondents agree or disagree to the statements that support compliance to procedures. The study was qualitative with a blend of quantitative and cross sectional multiple case study designs.

2.8 Theoretical Review

This section documents the relevant theories and literature from similar past studies with regard to the objectives of this study. It also presents the conceptual framework that underlies this study. The legitimacy theory and agency theory are the major theories underlying this study. Legitimacy theory states that the organization has the mandate to state its activities to the stakeholders, more specifically to the public and state the benefits the society will get from it (Wilmhurst and Frost, 2000). Agency theory attempts to
describe the agency relationship, this is where the principal gives work to the agent who executes the work (Eisenhardt, 1989).

2.9 Research Gaps

According to EU (2011), public procurement is a relatively poorly researched area. The evaluation of EU (2011) was faced with severe constraints in terms of availability of reliable data to support cross-country comparisons or time series analysis. In several instances, the evaluation was forced to supplement data analysis with qualitative analysis and opinion surveys.

In their assessment (Sabiiti et al. n.d.)’s the sampling strategy was selected ‘meandering’ between pure (stratified) proportional statistical sampling and actual sample determination meeting the practical requirements of the survey, emanating from the sampling criteria themselves but also from capacity building requirements of participating sample Procurement and Disposing Entities (PDEs). Although these measures of performance have helped to identify areas for capacity building in public procurement, the existing system lacked baseline performance data to base any progressive assessment of the performance of the public procurement systems. The methodology for collection of data on these indicators was not accurate, verifiable or efficient and this led to incomplete or unreliable data as well as cost inefficient methods. The indicators did not cover indicators on the performance of PPDA.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction
This chapter describes the methods and procedures that were used by the researcher to conduct the study in order to achieve the set objectives. It details the research design, the data collection techniques and the data analysis methods.

3.2 Research Design
This study adopted a case study research design in order to specifically research and described the procurement practices as perceived by the employees in the procurement departments at UoN. Kothari (1990) described a case study as a careful and complete examination of a social unit, institution, family, cultural group or an entire community. A case study he argued embraces depth rather than breadth of a study. The case study design therefore gave an in-depth understanding of the efficacy of the PPDA in the UoN.

The study encompassed selected employees from all the 8 procurement offices of UoN namely: College of Health Sciences, College of Agriculture and Veterinary Sciences, College of Education and External Studies, College of Humanities and Social Sciences, College of Architecture and Engineering, College of Biological and Physical Sciences, Student Welfare Association, and Central Administration (UoN Service Charter, 2010).

The study used purposive sampling. This method exposed the researcher to various staff and managers who have different experiences with the issues under study. The selection
criteria was based on the number of procurement personnel per college. In this study, a sample size of 32 will be selected that is 4 representatives from each college, SWA and Central Procurement Unit in UoN. The staffs to be selected are believed to have sufficient knowledge on efficacy of PPDA in UoN. A number above 30, according to Sekaran, (2003) is acceptable. Consistent with Kreijcie and Morgan (1970) this was a representation of the entire population.

3.3 Selection of the University of Nairobi
UoN is the largest public University in Kenya and belongs to the category of the public procurement entities. According to (UPN, 2013), the UoN was reviewed by PPOA in April, 2013 to assess compliance with PPDA Public. UoN is one of the key implementers of the Procurement Law and provided suitable ground to conduct the assessment of the efficacy of the procurement law. UoN being the largest University in Kenya, the information obtained can be used for benchmarking by other Universities in practice and in training procurement professionals.

3.4 Data Collection
The researcher collected both primary and secondary data. The secondary data was collected through studying of the literature in the UoN Procurement Service Charter, UoN Procurement and Disposal Manual, Newsletters, PPOA Review documents, journals, articles, books and the PPDA. The primary data was collected through questionnaires that were personally administered to the respondents. The questionnaire was structured for ease of comparison and analysis of respondents’ answers. The
questionnaires established whether there is procurement law compliance and user departments’ satisfaction.

3.5 Data Analysis

The data collected was checked for completeness and accuracy before analysis and will be geared towards answering the research questions. Content analysis was used to analyze qualitative data to allow for in-depth understanding of issues in the case. Nachmias and Nachmias (1996) noted that content analysis is a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same approach to relate to trends. Statistical tools and techniques such as correlation analysis were used to analyze quantitative data for objectives one and two. Correlation refers to any of a broad class of statistical relationships involving dependence. In this study, the dependant variable was compliance to the PPDA while the independent variables were organizational factors and processes of procurement.
CHAPTER FOUR: DATA ANALYSIS, INTERPRETATIONS AND DISCUSSIONS

4.1 Introduction

This chapter presents analysis and findings of the study as set out in the research objectives and methodology. The study sought to establish the effect of public procurement disposal act on the organization during the process of procurement. The respondents were required to score the level of their agreement with various statements on the PPDA. The scale ranged from 1-strongly disagree; 2-disagree; 3-agree; 4-strongly agree. The study computed mean and standard deviation to help measure the efficacy of public procurement law. The study findings and discussions were presented on the efficacy of the Procurement Law in the University of Nairobi. The findings are illustrated in the tables and figures below.

4.1.1 Response rate

The study targeted a sample of 32 respondents. As table 1 shows, 26 respondents filled in and returned the questionnaires giving a response rate of 81%. This commendable response rate was made a reality after the researcher made personal visits and read out the questionnaire to the respondents. This response rate was excellent and representative and conforms to Mugenda and Mugenda (2003) stipulation that response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent.
4.2 Demographic information

The study sought to establish the demographic data relevant to respondents. The study findings were as shown in table 4.1 below:

Table 1: Response Rate

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Procurement Officers</td>
<td>1</td>
<td>3.8</td>
</tr>
<tr>
<td>Procurement Officers</td>
<td>8</td>
<td>30.8</td>
</tr>
<tr>
<td>Assistant Procurement Officers</td>
<td>7</td>
<td>26.9</td>
</tr>
<tr>
<td>Procurement Assistants</td>
<td>2</td>
<td>7.7</td>
</tr>
<tr>
<td>Other Positions</td>
<td>8</td>
<td>30.8</td>
</tr>
<tr>
<td>Total</td>
<td>26</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The researcher observed that 30.8% of the respondents were in the rank of either Procurement Officers or other positions such as stores clerks, procurement managers and administrative officers in procurement. 26.9% were Assistant Procurement Officers, 7.7% were Procurement Assistants and only 1 respondent was a Senior Procurement Officer. The study sought to establish the length of time the respondents had worked in UoN. From the findings, 61.5% of the respondents had worked for more than 5 years in UoN while 15.4% had worked for 2 or 3 years. None of the respondents interviewed had worked for less than 2 years. This was purposeful to ensure employees interviewed had been in the UoN long enough to assess the impact of the Procurement Law. While, 92.3% of the respondents agreed that the procurement processes in the UoN have changed since the implementation of the Procurement Law in 2007, 7.7% indicated that there has been no change.
4.3 Organizational Factors and Efficacy of PPDA in UoN

The study further sought to establish whether the organizational factors established by Akapumuzza et al (2008) affect procurement processes which in turn affect efficacy of PPDA, 2007. Figure 3 below shows that 88.5% of the respondents strongly agree that the UoN structure supports compliance with PPDA 2005 while 11.5% agree to the same. Out of all the respondents, 57.3% and 42.3% strongly agree and agree respectively that there is clarity in roles and responsibilities among UoN staff.

Figure 3: The UoN Structure and PPDA Compliance

The amount of money budgeted for procurement activities is very important in ensuring timely delivery of goods and services procured. A mean score of 3.42 indicates that the respondents strongly agree that there is adequate budget allocation to procurement activities in UoN. The research established that user departments prepare quality and reliable procurement plans. This was supported by 76.9% of the respondents agreeing while 19.2% strongly agreed to preparation of quality plans. 65.4% of the respondents strongly agreed that UoN has clear authorization processes. This means that the
procurement department gets feedback from the users on satisfaction levels of the supplies received. All the respondents concurred that PPDA 2007 compliance depends on the type of goods and services being procured.

Of the 26 respondents interviewed, only 3.8% hold a Masters in procurement; 61.5% are degree holders while 34.6% are diploma holders in procurement. One of the respondents who is enrolled for Masters while 92.3% in a Diploma certification course. 92.3% of the respondents are enrolled for either a degree course or a Certification course offered by Chartered Institute of Purchasing and Supplies Management.

All the respondents agreed that they have been sponsored by the University for Short Trainings in procurement related matters such as ethics, inspection and acceptance of goods and services, contract and negotiation management and supplier development. The respondents strongly agreed that they need further training in procurement matters such as procurement in regard to the new constitution, strategic procurement practices, automated procurement, current trends in procurement, procurement in line with devolved government, finance for purchasers and transportation and logistics management.

Figure 3 below supports the fact the employees currently enrolled for Masters agree totally that there is sufficient staffing in UoN while 62.5% of the staff enrolled for other courses such as degree and Certification courses agree. Out of the respondents pursuing
other courses, 38.5% of them disagree that there is sufficient staffing in the procurement department.

**Figure 4: Sufficiency of Staffing in Procurement Department**

![Bar Chart showing sufficiency of staffing in procurement department]

All the respondents strongly agreed that the procurement staff, suppliers and end users communicate properly. This leads to a clear flow of information both in the upstream and downstream hence minimizing the bullwhip effect.

**Table 2: Confidentiality is guaranteed during the procurement process**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>1</td>
<td>3.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>11.5</td>
<td>15.4</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>22</td>
<td>84.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>26</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

As shown in table 2 above, a total of 84.6% of the respondents strongly agreed that confidentiality is guaranteed during the entire procurement process while 11.5% disagreed that there is confidentiality in the procurement process.
4.4 Procurement Process Implementation

As shown in figure 4 below, the research established that 60% of the Diploma holders agree that the procurement techniques and methods employed in UoN promote successful implementation of PPDA 2007 however, a greater percentage of 68.8% of degree holders strongly agree to this statement. From the research findings, all the procurement departments in UoN applied open tendering system, and a negligible percentage of the departments operated restricted tendering where from time to time they would send a request for proposals to only the suppliers in their database. This provided them with leeway to reduce costs of tendering especially where the contract values were small.

Figure 5: Procurement Techniques & Methods in UoN

A mean of 3.58 supports the respondents’ response that the procurement techniques and methods employed in UoN promote successful implementation of PPDA. To a lower extent the procurement practice in UoN maximize values in sourcing and disposal, lower cost associated with purchasing and disposal and promote competition among suppliers.
This is supported by a mean of 2.69. A mean of 3.42 supports the fact that the UoN takes necessary measures to ensure that the procurement processes employed lead to PPDA compliance.

**Table 3: Procurement Process Implementation**

<table>
<thead>
<tr>
<th>Valid</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>The procurement techniques and methods employed in UoN promote successful implementation of PPDA</td>
<td>26</td>
<td>.504</td>
<td>93</td>
</tr>
<tr>
<td>The procurement practice in UoN maximize values in sourcing and disposal, lower cost associated with purchasing and disposal and promote competition among suppliers</td>
<td>26</td>
<td>.549</td>
<td>70</td>
</tr>
<tr>
<td>UoN takes necessary measures to ensure procurement process leads to PPDA compliance</td>
<td>26</td>
<td>.504</td>
<td>89</td>
</tr>
</tbody>
</table>

4.5 Procurement Outcomes

As shown in the pie chart below, 88.5% of the respondents strongly agree that procurement departments in UoN get feedback from users on satisfaction levels of the supplies received. This is done through annual surveys, procurement audits and performance appraisals. Any deviations noted are corrected hence improved services and goods to users. A mean of 3.88 further confirms that feedback is well managed in UoN thus leading to proper communication in the upstream.

**Figure 6: Feedback from users on satisfaction levels**
From the research, a mean of 3.00 confirms the respondents’ agreement that all the goods and services procured conform to the users’ specifications. The respondents reported that any non-conformance noted resulted to goods being returned to the supplier and a goods returned note issued. A major deviation would result to supplier debarment. From the survey, 50% of the respondents strongly agreed and 50% agreed that procurement in UoN conforms to the PPDA requirements and is geared towards achieving PPDA objectives.

Table 4: Procurement Outcomes

<table>
<thead>
<tr>
<th></th>
<th>The procurement department gets feedback from users on satisfaction level of the suppliers received</th>
<th>All goods and services Conform to the users specifications</th>
<th>Procurement in UoN conforms to the PPDA requirements thus leading to PPDA objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Valid</strong></td>
<td>26</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td>3.88</td>
<td>3.00</td>
<td>3.50</td>
</tr>
<tr>
<td><strong>Std. Deviation</strong></td>
<td>.326</td>
<td>.000</td>
<td>.510</td>
</tr>
<tr>
<td><strong>Sum</strong></td>
<td>101</td>
<td>78</td>
<td>91</td>
</tr>
</tbody>
</table>

4.6 Efficacy of the Procurement Law

The research indicated that 100% of the Senior Procurement Officers disagree that PPDA has improved the speed at which goods and services are procured. While 50% of the
Procurement Officers and Procurement Assistants strongly disagree that PPDA has improved procurement speed, 37.5% and 50% disagree respectively. The research also established that 12.5% of the Procurement Officers agree that PPDA has improved procurement speed.
Table 5: Efficacy of the Procurement Law

<table>
<thead>
<tr>
<th></th>
<th>PPDA has improved the speed at which procures goods and services</th>
<th>PPDA has increased the level of transparency in procurement</th>
<th>PPDA has improved the quality of goods and services delivered by suppliers</th>
<th>PPDA has promoted ethical standards among procurement personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>26</td>
<td>26</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Mean</td>
<td>2.15</td>
<td>3.54</td>
<td>3.69</td>
<td>3.73</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.732</td>
<td>.582</td>
<td>.471</td>
<td>.452</td>
</tr>
<tr>
<td>Sum</td>
<td>56</td>
<td>92</td>
<td>96</td>
<td>97</td>
</tr>
</tbody>
</table>

In summary, 65.4% of the respondents disagreed that PPDA has improved the speed at which UoN procures goods and services. This is further supported by a mean of 2.15 indicating that PPDA has reduced the speed of procurement. The respondents agreed to a great extent with a mean of 3.54 that PPDA had improved the competitiveness of the procurement processes in UoN. Respondents responded that to a great extent, PPDA had improved the competitiveness for the procurement processes among the department supported by a mean of 3.69. To a great extent, PPDA had improved the quality of services and goods delivered by the suppliers as proved by a mean of 3.73. The study further established that PPDA had promoted ethical standards among procurement personnel. This was supported by a mean of 3.88.

This research established that there is a positive correlation between PPDA conformance and the quality of goods and services of supplies received in UoN. This means that conformance to PPDA leads to improved quality of goods and services. The research established that there is a positive correlation between PPDA compliance and improved
competitiveness in the procurement process. The correlation is significant at 0.289. From the research findings, there is positive correlation between the clear channels of communication in UoN and the feedback that the procurement department gets from users on satisfaction levels of the supplies received. There was negative correlation between UoN conformance to PPDA and the speed at which UoN procures goods and services.
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of key data findings, conclusions drawn from the findings highlighted and recommendations that were made. The conclusions and recommendations drawn were in quest of addressing research objectives of the efficacy of the procurement law in the University of Nairobi.

5.2 Summary of the findings

The study established that there is clear segregation of duties among the employees of procurement departments in UoN. Each and every employee understands what he/she is supposed to do hence there are no incidences of collision while handling their duties. It was also clear from the findings that the organization procures both products and services in a transparent manner to ensure accountability in the procurement process. It was evident from the study that UoN departments prepare quality and reliable procurement plans. The employees in the Procurement offices in UoN possess relevant qualifications and are continuously trained to ensure they deliver positively to the objectives of UoN.

It was also evident that UoN keeps confidential all information related to the bidding processes. This is done to ensure there is fair and equal treatment of all the potential suppliers. The respondents also remained firm that they are keen in the way they communicate and interact with potential suppliers and user departments.
On the factors that affected the procurement method, the study concluded that the provisions and guidelines of PPDA was a very important factor that affects the use of procurement methods. It further concluded that PPDA improved the competitiveness of the procurement process among users in UoN. In addition, the study showed that PPDA improved the quality of services and goods delivered and finally, PPDA promoted ethical standards among procurement personnel.

Although the procurement techniques and methods employed in UoN promote successful implementation of PPDA, the processes in UoN do not fully maximize value in sourcing and disposal or even reduce costs associated with purchasing and disposal of assets. The University however, takes necessary measures to ensure that the procurement process leads to achievement of PPDA objectives.

5.3 Conclusion

The study established that there are a number of organizational factors that influence the procurement process in UoN. These factors include structure and role clarity, preparation of quality and reliable procurement plans, clear channels of communication, the type of goods and services being procured, the procurement employees’ qualifications and numbers. Some of the factors that were found not to be common were the number of times an employee has been trained and the budgetary allocations.
These organizational factors influence the implementation of procurement techniques and methods employed in UoN. The quality of feedback from users on satisfaction levels for the goods received has a positive impact on the UoN conformance to the procurement law. The research concluded evidently that UoN takes necessary measures to ensure the procurement process adheres to the PPDA 2007. The procurement processes do not maximize value in sourcing and disposal and lowering costs associated with procurement. The procurement processes do not promote competition among suppliers.

This study in particular sought to assess efficacy of the procurement law in the University of Nairobi. The study concludes that procurement law promotes ethical standards among procurement personnel in UoN. The procurement law has improved; competitiveness in the procurement process, the level of transparency in procurement and the quality of goods and services delivered by suppliers. The greatest weakness of the procurement law is that it has reduced the speed at which the speed at which UoN procures goods and services.

According to the just completed PPOA reviews, unprinted results indicate that UoN complies with PPDA 2007. In conclusion, the findings from UoN may to a large extent confirm that the procurement processes and practices in UoN conform to the PPDA objectives hence there is high efficacy of the procurement law in UoN.

5.4 Limitations of the Study
The study faced both time and financial limitations. The duration that the study was to be conducted was limited hence exhaustive and extremely comprehensive research could not be carried on the efficacy of procurement law in the UoN. The study relied purely on the responses from the respondents and did not visit all the procurement officers in UoN. Due to the limited time, the study could not collect information through observation of the procurement process over a period of time to assess the performance. The study however, minimized these by collecting information from the main stakeholders who are involved in the procurement process in the University.

5.5 Recommendations

From the above presentations of summary and conclusion, the study makes the following recommendations on the efficacy of the procurement law in Kenya. That the government and policy makers in UoN enhance their efforts in eradicating the challenges associated with PPDA. Mechanisms should be put in place to ensure eradication of corrupt officials in these organizations. Incentives should be provided to the officials implementing PPDA in order to ensure better guidelines in the process.

There is evidence that the procurement law has slowed down the speed at which goods are procured. UoN should come up with a better process which will reduce bureaucracy and ensure goods and services are procured in a timely manner. It was also noted that the University does not have sufficient staff in some of its colleges. It will be prudent for UoN to assess the workload in all its departments and ensue they are sufficiently staffed. This is will reduce backlogs and ensure all requests are serviced in a timely manner.
There is need to review the procurement procedures and identify the underlying problems with a view to sealing the remaining loopholes through which dishonest stakeholders are likely to misuse the process. More checks and controls should be introduced to check on the integrity of the tendering systems and ensure that it is as open as possible. It was noted that the procurement practice in UoN does not maximize values in sourcing and disposal. Through modification of the procurement process, UoN will allow for value maximization through reduced costs associated with purchasing and disposal of assets and increased competition among suppliers.

The study found out that the procurement officers have varying opinions on the efficacy of the procurement law in enhancing operational efficiency. This means that more sensitization on the public procurement law requires to be done. This can be done through the Directorate of Public Procurement and the PPOA. There is need to review the procurement law to incorporate the views of the users and any other stakeholders like the suppliers.

The output of the study be used by the management of UoN in embracing the positives of PPDA in the University and thereby putting mechanisms that would ensure all employees are knowledgeable of the procurement law for the purpose of effective implementation to achieve efficiency and effectiveness in procurement.
5.6 Suggestions for Further Research

The study only focused on procurement officers but a similar study should be done for all employees and suppliers so that their views are incorporated. The researcher recommends another study to be done on the efficacy of the procurement law in Kenya in all Universities and how it affects the performance of the procurement process in the public sector. This will allow for generalization to the findings on the effectiveness of the procurement law. In addition, a further study can be done on how the PPDA affects procurement in Private Sector in their engagement with the Public Sector Procurement.
REFERENCES


Tadeo M., Karuhanga B., & Mukokoma M. (n.d) Compliance and Service Delivery Case Study of Local Government Procurement Units in Uganda.


University of Nairobi Procurement Service Charter (2010)

UoN Procurement Newsletter. Issue no-0001 May 2013


APPENDICES

APPENDIX 1: QUESTIONNAIRE FOR PROCUREMENT PERSONNEL

This questionnaire is aimed at collecting data regarding efficacy of the public procurement law in the University of Nairobi. You have been selected to participate in this study. Your responses to the questions below will be confidential. Kindly give the most correct response to all the questions as requested.

GENERAL INFORMATION

1. What is your job role/title? ________________________________

2. How long have you worked in your current position? _____

3. Which products/services are you involved in procuring?
   Goods _____ Services _____ Both _____

4. Are you totally conversant with the strategic procurement practices at UoN?
   Yes _____ No _____

5. Have procurement processes and systems changed in any way following the enforcement of the Procurement Act in 2007
   Yes _____ No _____

Kindly state the extent which you agree or disagree with the following statements where applicable. Rating: 1- Strongly disagree 2 – Disagree 3 – Agree 4 - Strongly agree

ORGANIZATIONAL FACTORS AND EFFICACY OF PPDA IN UON

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>The UoN structure supports compliance with PPDA, 2005.</td>
</tr>
<tr>
<td>7</td>
<td>There is clarity in roles and responsibilities in UoN.</td>
</tr>
<tr>
<td>8</td>
<td>There is adequate budget allocation to facilitate procurement activities.</td>
</tr>
<tr>
<td>9</td>
<td>The user departments prepare quality and reliable procurement plans.</td>
</tr>
<tr>
<td>10</td>
<td>There is a clear authorization process in UoN.</td>
</tr>
<tr>
<td>11</td>
<td>There are clear channels and levels of communication in UoN.</td>
</tr>
<tr>
<td>12</td>
<td>PPDA compliance depends on the type of goods and services being procured.</td>
</tr>
<tr>
<td>13</td>
<td>The highest level of qualification obtained</td>
</tr>
<tr>
<td>14</td>
<td>Which course are you currently enrolled in.</td>
</tr>
<tr>
<td>15.</td>
<td>There is sufficient staffing in the procurement department.</td>
</tr>
<tr>
<td>16.</td>
<td>The number of times you have been sponsored by the UoN for short trainings in procurement related matters.</td>
</tr>
<tr>
<td>17.</td>
<td>There is need for further training in procurement related matters.</td>
</tr>
<tr>
<td>18.</td>
<td>Procurement staff, suppliers and end users communicate properly</td>
</tr>
<tr>
<td>19.</td>
<td>Confidentiality is guaranteed during the whole procurement process</td>
</tr>
</tbody>
</table>

**PROCUREMENT PROCESS IMPLEMENTATION**

| 20. | The procurement techniques and methods employed in UoN promote successful implementation of PPDA |
| 21. | The procurement processes in UoN maximize value in sourcing and disposal, lower costs associated with purchasing and disposal and promote competition among suppliers. |
| 22. | UoN takes necessary measures to ensure the procurement process leads to PPDA compliance. |

**PROCUREMENT OUTCOMES**

| 23. | The Procurement Department gets feedback from users on satisfaction levels of the supplies received. |
| 24. | All the goods and services procured conform to the user specifications. |
| 25. | Procurement in UoN conforms to the PPDA requirements thus leading to achievement of PPDA objectives |

**EFFICACY OF THE PROCUREMENT LAW**

| 26. | PPDA has improved the speed at which UoN procures goods and services |
| 27. | PPDA has improved competitiveness in the procurement process. |
| 28. | PPDA has increased the level of transparency in procurement |
| 29. | PPDA has improved the quality of goods and services delivered by suppliers |
| 30. | PPDA has promoted ethical standards among procurement personnel. |
APPENDIX 2: RESPONDENTS IN THE UNIVERSITY OF NAIROBI

1. College of Health Sciences
2. College of Agriculture and Veterinary Sciences
3. College of Education and External Studies
4. College of Humanities and Social Sciences
5. College of Architecture and Engineering
6. College of Biological and Physical Sciences
7. Student Welfare Association
8. University of Nairobi Entrepreneurial Services
9. Central Administration