

**PROCUREMENT PERFORMANCE IN THE PUBLIC  
UNIVERSITIES IN KENYA**

**BY**

**NOEL MANYENZE**

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

**October, 2013**

## DECLARATION

I hereby certify that this project is my original work and has not been presented for examination in any institution of higher learning.

**Sign:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**NOEL MANYENZE**

**REG NO: D61/72964/2009**

This research project has been submitted for examination with my approval as the university supervisor.

**Sign:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**S. ONSERIO NYAMWANGE**

**LECTURER,**

**DEPARTMENT OF MANAGEMENT SCIENCE**

## **ACKNOWLEDGEMENTS**

God's unprecedented favour has assisted me in successfully completing this programme.

I take this opportunity to thank my supervisor Mr. S. Onserio Nyamwange for providing guidance on this project and being available for consultation whenever required. Special thanks to all those respondents who responded to the questionnaires. I also thank fellow colleagues for their words of encouragement and advice during the research period. My gratitude goes to my wife and daughter for their support and understanding throughout the academic journey. To my parents Elizabeth and Marco, you cherish education and showed us the way of the academic journey.

## **DEDICATION**

To my wife Caroline and my amazing daughter Cataleya for always being there no matter what.

## TABLE OF CONTENTS

<b>DECLARATION.....</b>	<b>ii</b>
<b>ACKNOWLEDGEMENTS .....</b>	<b>iii</b>
<b>DEDICATION.....</b>	<b>iv</b>
<b>ABSTRACT.....</b>	<b>vii</b>
<b>CHAPTER ONE: INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the Study .....	1
1.1.1 Procurement Management .....	2
1.1.2 Public Sector Procurement.....	2
1.2 Research Problem .....	4
1.3 Research Objectives.....	5
1.4 Value of the Study .....	5
<b>CHAPTER TWO: LITERATURE REVIEW.....</b>	<b>7</b>
2.1 Introduction.....	7
2.2 Procurement Process.....	7
2.3 Supply Chain Performance .....	9
2.4 Empirical Studies .....	11
2.5 Conceptual Model.....	14
<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>15</b>
3.1 Introduction.....	15
3.2 Research Design.....	15
3.3 Data Collection .....	15
3.4 Data Analysis and Presentation .....	17

<b>CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION .....</b>	<b>18</b>
4.1 Introduction.....	18
4.2 Demographic Information.....	18
4.3 Oversight and enforcement challenge on the procurement management .....	19
4.4 Challenges in the Procurement Management .....	20
4.5 Non-Transparent Procurement Practices .....	22
4.6 Challenges of Procurement Performance.....	23
4.7 Effective Links between Procurement and Financial Management .....	25
4.8 Challenges in the procurement management in the university .....	25
4.9 Records Management and Filing Systems .....	26
4.10 Efficiency Levels .....	28
<b>CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.</b>	<b>31</b>
5.1 Introduction.....	31
5.2 Summary of the Findings.....	31
5.3 Conclusions.....	33
5.4 Recommendations.....	34
5.5 Limitations of the Study.....	35
5.6 Suggestions for Further Studies .....	35
<b>REFERENCES.....</b>	<b>36</b>
<b>APPENDIX I: QUESTIONNAIRE.....</b>	<b>40</b>
<b>APPENDIX II: LIST OF PUBLIC UNIVERSITIES .....</b>	<b>47</b>

## **ABSTRACT**

This study sought to investigate the procurement management performance in the public universities. To achieve this it was guided by two research objectives: to establish the mechanisms to reduce the effects procurement challenges and determine the effectiveness of these mechanisms. The study used descriptive research design. The target population comprises of the University of Nairobi and its affiliate the Technical University of Kenya. The study used primary data gathered directly from respondents. Quantitative data collected was analyzed using descriptive statistics and presented through percentages, means, standard deviations and frequencies. The study established that oversight and enforcement challenge affected the procurement management to a great extent and that the mismanagement of oversight over the decentralized system the respondents agreed to a great extent. There was leverage on the buying power that comes with centralized purchasing and creation of adequate capacity in the buying agencies to tackle types of procurement. The study further established that Non-transparent procurement practices pose a challenge to the procurement management in the university to a very great extent and the university faced accountability challenges in procurement management the respondents. Corruption is rampant hindering the implementation of the 2005 procurement act and that officials are responsible for decision making. The study also established that there was combination of assets to deal with a financial issue the respondents and that there were problems in classification or sorting, Storage or archiving of data and records and retrieving of the records and systems as well as Poor technological infrastructure for record keeping. The study concludes that non-transparent procurement practices pose a challenge to the procurement management in the university to a very great extent and the university faced accountability challenges in procurement management the respondents. The study also concluded that there was combination of assets to deal with a financial issue the respondents and that there were problems in classification or sorting, Storage or archiving of data and records and retrieving of the records and systems as well as Poor technological infrastructure for record keeping. The study recommends that University of Nairobi adopts the idea of centralized decision study recommends that making to enhance the speed of decision making, enabling control of activities and thus reducing procurement challenges. The universities ought to encourage staff involvement / participation in decision making to tap their creativity. The study further recommends the university should encourage centralized procurement to enhance effectiveness of these mechanisms and promote standardization. Finally it is recommended that further study should also be carried out on other universities to find out if the same results will be obtained.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

Procurement can be defined as the acquisition of merchandise or services at the most favorable total cost in the right amount and quality. Procurement has a wide scope than purchasing and it's defined as the purchase of materials and services from outside organization to support the firm's operations from production to marketing sales and logistics (Robbins, 2001). Procurement activities endeavor at anticipating needs, sourcing and obtaining supplies, transporting supplies into the organization, and evaluating the status of supplies as a current asset (Hardaker and Graham, 2000).

An ideal procurement system should also focus on effectiveness, where procuring entities should meet the commercial, regulatory and socio-economic goals of government in a manner that is appropriate to the procurement requirement. Furthermore, a good procurement practice should embrace: efficiency, which requires that procurement processes be carried out as cost effectively as possible; fair-dealing, where suppliers should be treated fairly, without discrimination or prejudice including protection of commercial confidentiality where necessary (Agere, 2001).

The process should also uphold integrity by ensuring that there are no malpractices; informed decision-making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met. More still, the Procurement practice should be responsive to aspirations, expectations and needs of the institution.



Finally, there is need for transparency to enhance openness and clarity on procurement policy and its delivery (World Bank, 2003).

### **1.1.1 Procurement Management**

Procurement management involves planning, soliciting sources, choosing a source, administering the contract, and closing out the contract. Procurement management focuses on the practices from the buyer's point of-view, not the seller's. The seller can be seen as a contractor, subcontractor, vendor, or supplier. Procurement management involves determining what sources are available to provide the needed products or services for the project. The procurement management has to meet some requirements which include requirements normally include quality, timeliness, cost (more than just the price), minimizing business, financial and technical risks, maximizing competition, and maintaining integrity. Procurement Management Comprises of Purchasing, Purchasing Card, Accounts Payable, Travel, Central Stores, Receiving and Property Administration.

### **1.1.2 Public Sector Procurement**

In Kenya, the public procurement system has undergone significant developments. From being a system with no regulations in the 1960s, and a system regulated by Treasury Circulars in the 1970s, 1980s and 1990s, the introduction of the Public Procurement and Disposal Act (PPDA) of 2005 and the Procurement Regulations of 2006 has introduced new standards for public procurement in Kenya.

In 2003, the Government of Kenya (GoK) began to implement reforms to address inefficiency in the use of public resources and weak institutions of governance. Reforms included the development of anti-corruption strategies to facilitate the fight against

corruption and the enactment of the Public Officer Ethics Act 2003, the Anti-Corruption and Economic Crimes Act 2003, the Financial Management Act 2004 and the PPDA 2005. The latter was meant to make public procurement process more transparent, ensure accountability and reduce wastage of public resources.

A 2005 Independent Procurement Review, conducted jointly by the GoK and the European Union, identified several critical problems with Kenya's procurement system. The review found weak oversight institutions, a lack of transparency, poor linkages between procurements and expenditures, delays and inefficiencies, and poor records management. The GoK sought to improve its public procurement systems by enacting the PPDA and creating the Public Procurement Oversight Authority (PPOA) and regulations implementing the Act gazetted by the GoK on January 1, 2007.

University is an institution of higher education and research which grants academic degree at Bachelor, Master and Doctorate level in a variety of subjects as guided by the university statutes. A university provides both tertiary and quaternary education. In Kenya, there are twenty four (24) Public universities established through institutional Acts of Parliament under the Universities Act, 2012 which provides for the development of university education, the establishment, accreditation and governance of universities. According to a 2004 report on reforming higher education in Kenya, the rapid expansion of university education in the country was a spontaneous response to the increasing demand for higher education necessitated by the increasing flow of students from schools. These public universities have been created to carry out research. The primary purpose of research, outreach and extension constitute the basis on which research goals are set and measures by which fulfillment of these goals are established (Onsongo, 2007).

## **1.2 Research Problem**

Public procurement needs a tight/waterproof system to be followed and adopted. The adoption and implementation of the Procurement Act of 2005 and subsequent regulations and guidelines has faced several challenges in many public institutions in Kenya (Onsongo, Okioga, Otieno and Mongare, 2012). Given the impact of procurement activities on the operation and effectiveness of the public institutions, it is essential that these activities be performed by qualified staff with high professional and ethical standards and using sound procedures anchored in appropriate policies and regulations. Experience has shown that an effective procurement process is one in which efforts are made at all times to have a transparent and corruption-free process and use good procurement practices (Ombaka 2003).

Public procurement has, for long, been overshadowed with inefficiency, corruption and disregard of fundamental "value for money" considerations. Otieno (2004) notes the irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated. Accountability is government's obligation to demonstrate effectiveness in carrying out goals and producing the types of services that the public wants and needs (Segal and Summers, 2002). Lack of accountability creates opportunities for corruption. Government officials and elected leaders have increasingly come to realize that public agencies must utilize ICT in order to enhance the procurement processes in the public sector. Faced with tight budgets and a retiring workforce, today's government agencies are operating in an environment defined by the need to 'do more with less.

Local studies include Rambo (2012) on the procurement reforms and expenditure management in public secondary schools in Kenya. The study found that advertising tenders, number of committee members trained in procurement had strong positive effects on expenditure efficiency. Ngari (2012) did a study on the effects of Public Procurement and Disposal Act on procurement in parastatals in Kenya and concluded that that PPDA improved the competitiveness of the procurement processes among parastatals. There is no study that has examined the performance of procurement management in the public universities. This study therefore sought to fill this research gap by investigating the procurement management performance in the public universities.

### **1.3 Research Objectives**

- i. To establish the mechanisms to reduce the effects procurement challenges.
- ii. To determine the effectiveness of these mechanisms.

### **1.4 Value of the Study**

Public universities would make use of this study, as it would provide complementary knowledge useful in formulation of policy and a regulatory framework on procurement management in the Publics University.

It would also introduce new comparative knowledge for managers to deal with challenges arising in formulation of procurement policy. The empirical data generated would enable the government formulate a policy framework that would enhance the procurement of items.

Researchers and scholars can use this information to add to their understanding of procurement policy in the public universities in Kenya. The study findings would help provide other researchers with required literature for their research. It would also further lead to the generation of new knowledge and hence bridge the gap. The study would provide foundation and material for further related research.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter reviews literature relevant to the research problem under investigation. The literature is reviewed from books, journals, newspapers, libraries, academic publications, magazines, government statistics and any other relevant source.

### **2.2 Procurement Process**

Public Procurement has been defined as the acquisition of goods, works or services, including the disposal of assets by a Procuring Entity. Procurement process is the successive stages in the procurement cycle including planning, choice of procedure, means to solicit offers from bidders, examination and evaluation of those offers, award of contract and contract management. Procurement encompasses the whole process of acquiring property and/or services. It begins when an agency has identified a need and decided on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property and/or services and, where relevant, the ongoing management of a contract and consideration of options related to the contract. Procurement also extends to the ultimate disposal of property at the end of its useful life (Waters 2004).

Sound public procurement policies and practices are among the essential elements of good governance (KIPPRA, 2006; World Bank, 2002). Otieno (2004) notes the irregular

procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated. In some cases, tenders are awarded to firms either through single sourcing or manipulation of bids; and worse still, full payments have often been made for projects that fail to take off or are abandoned half way. Still in other cases, tenders are awarded to un-competitive bidders through irregular disqualification of the lower bidders. According to Thai (2001), the basic principles of good procurement practice include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources carefully, knowing clearly that they are accountable to members of the public; competitive supply, which requires the procurement be carried out by competition unless there are convincing reasons for single sourcing; and consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation.

An ideal procurement system should also focus on effectiveness, where procuring entities should meet the commercial, regulatory and socio-economic goals of government in a manner that is appropriate to the procurement requirement. Furthermore, a good procurement practice should embrace: efficiency, which requires that procurement processes be carried out as cost effectively as possible; fair-dealing, where suppliers should be treated fairly, without discrimination or prejudice including protection of commercial confidentiality where necessary (Agere, 2001). The process should also uphold integrity by ensuring that there are no malpractices; informed decision-making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met. More still, the Procurement practice should be responsive to aspirations, expectations and needs of the target society. Finally, there is need for

transparency to enhance openness and clarity on procurement policy and its delivery (World Bank, 2003).

Common malpractices practices in the procurement process include collusion among bidders resulting in higher prices for purchased medicine, kickbacks from suppliers and contractors to reduce competition and influence the selection process, and bribes to public officials monitoring the winning contractor's performance all of these practices lead to cost overruns and low quality. Other forms of abuse, fraud and mismanagement can occur due to insufficient management and monitoring capacity. Moreover due to under-financed and badly managed systems, poor record-keeping and ineffective monitoring and accounting mechanisms, large quantities of drugs and medical supplies are stolen from central stores and individual facilities, and diverted for resale for personal gain in private practices or on the black market (Lerberghe 2004).

### **2.3 Supply Chain Performance**

Supply chains encompass the institutions activities needed to design, make, deliver, and use a product or service. Businesses depend on their supply chains to provide them with what they need to survive and thrive. Every business fits into one or more supply chains and has a role to play in each of them. Mentzer, DeWitt, Keebler, Min, Nix, Smith & Zacharia (2001, p. 4) define supply chain as “a set of three or more entities directly involved in the upstream and downstream flows of products, services, finances, and/or information from a source to a customer”. They further identify three types of supply chain based on the degree of complexity: a direct supply chain, extended supply chain, and ultimate supply chain. The direct supply chain consists of a focal firm, its suppliers



and its customers. The extended supply chain involves supplier's suppliers and customers' customers. The ultimate supply chain includes all organizations that are involved in all flows of products, services, finance, and information from the ultimate suppliers to the ultimate customers.

Thomas and Griffin (1996) indicate that supply chain represents the most advanced state in the evolutionary development of purchasing, procurement and other supply chain activities. At the operational level, this brings together functions that are as old as commerce itself seeking goods, buying them, storing them and distributing them. At the strategic level, SCM is a relatively new and rapidly expanding discipline that is transforming the way that manufacturing and non-manufacturing operations meet the needs of their customers.

A firm needs to develop effective coordination within and beyond its boundaries in order to maximize the potential for converting competitive advantage into profitability (Dyer and Singh, 1998). Coordinating the rate of order fulfillment to match actual consumption is successful from the customer's point of view, if it results in satisfying a customer's delivery date and lowers logistics costs. Wal-Mart, for instance, shares point-of-sales data – including sales and stocking data– with its key suppliers (Simchi-Levi *et al.*, 1999). Tracking daily sales enables the suppliers to differentiate popular from slow-moving items and to respond quickly either to replenish or to discontinue the items in retail stores. Tight coordination between Wal-Mart and its key suppliers dramatically increases product availability and reduces inventory costs.

Coordination among independent firms, such as raw-material suppliers, manufacturers, distributors, third-party logistics providers and retailers, is the key to attaining the

flexibility necessary to enable them to progressively improve logistics processes in response to rapidly changing market conditions. Poor coordination among the chain members can cause dysfunctional operational performance. Some of the negative consequences of poor coordination include higher inventory costs, longer delivery times, higher transportation costs, higher levels of loss and damage, and lowered customer service (Lee *et al.*, 1997).

## **2.4 Empirical Studies**

Onsongo, Okioga, Otieno and Mongare (2012) examined the challenges facing procurement committees in implementing the procurement act, a case of secondary schools procurement committees in Kisii County. A cross-sectional survey was used, with the sampling frame comprising members of the secondary Procurement committees in Kisii County. The study finding indicated that the experience with the reforms has been quite varied. There is an urgent need for strengthening institutions involved in public procurement, as these institutions tend to lack technical capabilities and experience external influences. The study concluded by emphasizing that there are certain imperatives for the development of an effective procurement system. These were: strengthening the democratic political process, and public accountability; creating real market conditions; and improving work ethics in which public good is valued more than individual.

Ngugi and Mugo (2012) examined internal factors affecting procurement process of supplies in the public sector; a survey of Kenya government ministries. The study found that procurement process in Kenyan Government Ministries for health care supplies was

affected by factors such as; accountability to a very great extent and justification of results to internal or external monitors to a moderate extent. The government officials used discretion to license and accredit facilities, providers, services and products, opening risk of abuse of power and use of resources. High amounts of discretion without adequate controls could create opportunities for corruption. Performance incentives to reward good performance increased accountability at Kenya government ministries and that the boards or other civic organizations to demand explanation of results increased accountability at Kenya government ministries.

Ameyaw, Mensah and Osei-Tutu (2012) examined public procurement in Ghana by looking at the implementation challenges to the Public Procurement Law 2003 (Act 663). The purpose of this study was to identify various implementation bottlenecks to the Ghana Public Procurement Law 2003 (Act 663). The study adopted multiple research approaches, including; review of relevant literature, interviews and questionnaire survey of 49 District Assemblies and Metropolitan and Municipal Assemblies in the Ashanti and Brong Ahafo Regions of Ghana. The study identified low capacity of procurement professionals, low interaction between procurement entities and Public Procurement Authority (PPA), deliberate controlling of competition, non-compliance with provisions of the law, splitting of contracts into smaller lots, lack of funds and non-cooperativeness of suppliers, as the major challenges militating against the implementation of the Public Procurement Law.

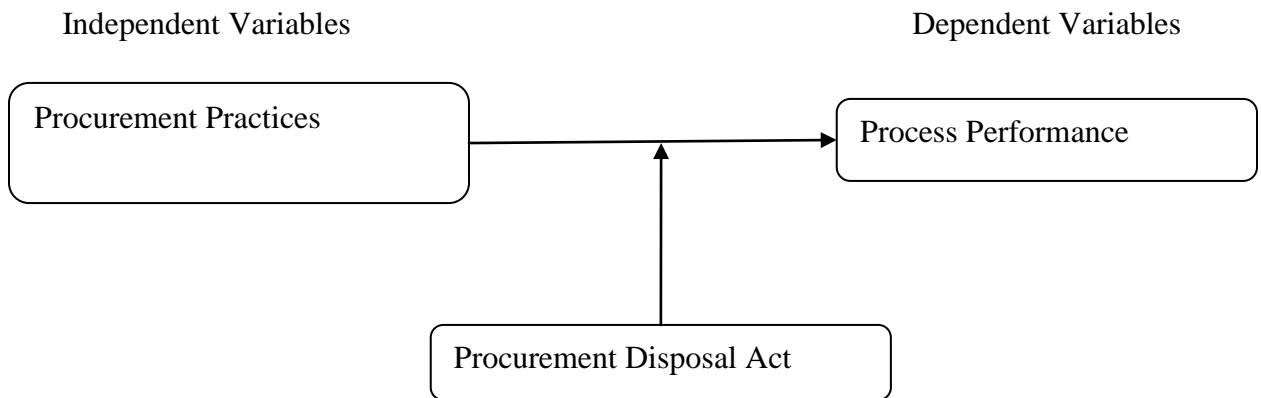
Eyaa and Oluka (2011) did an explaining on non-compliance in public procurement in Uganda. The paper aims at contributing to the debate on the causes of non-compliance with public procurement regulations in Uganda. The hypotheses tested in this study were

adopted from review of literature in a cross sectional study. Data was collected from 46 Central Government procuring and disposing entities using a structured questionnaire. The empirical findings indicate that of the three variables which are professionalism, familiarity with procurement regulations and institutional factors, only one variable, familiarity is a significant predictor of compliance. The model explains 52.4% of the variation in compliance with regulations.

Ngari (2012) examined the effects of public procurement and disposal act on procurement in parastatals in Kenya. The objective of this study was to look at the effects of PPDA on public procurement in Parastatals in Kenya. However the specific objectives were to establish the effect of PPDA on the procurement process in Parastatals in Kenya and find out the challenges to the implementation of the PPDA. The study adopted a cross sectional descriptive research design. For the purposes of this study, the population of interest was all parastatals in Kenya based in the Nairobi County. The study adopted proportionate stratified Sampling design. Primary data was collected for the purpose of this study. It was collected using interviewer administered questionnaires. The questionnaires were piloted with three subject experts before final administration. The filled questionnaires was inspected for completeness and edited. The study targeted a sample of 30 respondents out of which 22 respondents filled in and returned the questionnaire giving a response rate of 73%. The study concluded that that PPDA improved the competitiveness of the procurement processes among parastatals. In addition PPDA improved the quality of services and goods delivered, and finally it promoted ethical standards among Parastatals in procurement. On the challenges of PPDA, the study concluded that corrupt officers, unresponsive bids ignorance of the

PPDA guidelines, inefficiency of the PPOA on enforcing the penalties to the offenders and lack of organizational incentives & pressures for Public procurement guidelines implementation were to a great extent challenges.

## 2.5 Conceptual Model



Source: Author (2013)

Figure 2.1: Conceptual Model

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

In this chapter the research methodology was presented in the following order, research design, target population, data collection methods, instruments of data collection and data analysis and presentation to produce the required information necessary for the study.

### **3.2 Research Design**

The study used descriptive research design. Mugenda and Mugenda (1999) described descriptive research design as a systematic, empirical inquiring into what the researcher did not have a direct control of independent variable as their manifestation had already occurred or because the inherently could not be manipulated. Inferences about relationships between variables were made, from concomitant variables. The current research design has been chosen because the study is not confined to the collection and description of the data, but seeks to determine the existence of certain relationships among the research variables.

### **3.3 Data Collection**

The target population comprises all the Public Universities in Kenya. Currently, there are 22 Public Universities in Kenya. In order to carry out in-depth analysis and comparison, the study includes two public universities in the study. They are: University of Nairobi and its affiliate the Technical University of Kenya. These two universities are a representative of different university settings in Kenya.

The study used primary data. Primary data is information gathered directly from respondents (Kombo and Tromp, 2006) and for this study the researcher used questionnaires. Primary data was collected using a semi structured questionnaire. The open ended questions were used in order to allow respondents to provide information which they may deem relevant for the study. Closed ended questions were used in order to standardize the responses and save on the respondents' time taken to fill in the questionnaire.

The researcher administered a survey questionnaire to the registrar and chief procurement officer of each university. The questionnaire had both open and close-ended questions. The close-ended questions provided more structured responses to facilitate tangible recommendations. The closed ended questions were used to test the rating of various attributes and this helped in reducing the number of related responses in order to obtain more varied responses. Kombo and Tromp (2006) indicate that semi structured interview refers to the use of already prepared questions during the study. The open-ended questions provided additional information that may not have been captured in the close-ended questions.

The researcher administered the questionnaire individually to 15 respondents of the study. The researcher exercised care and control to ensure all questionnaires issued to the respondents are received and achieve this, the researcher maintained a register of questionnaires, which was sent, and which was received. The questionnaire was administered using a drop and pick later method.

The pilot study was conducted to allow for pre-testing of the research instrument. The clarity of the instrument items to the respondents was established so as to enhance the instrument's validity and reliability. The result helped the researcher to correct inconsistencies arising from the instruments, which ensured that they measure what is intended.

### **3.4 Data Analysis and Presentation**

Quantitative data collected was analyzed by the use of descriptive statistics using SPSS and presented through percentages, means, standard deviations and frequencies. The information was displayed by use of bar charts, graphs and pie charts and in prose-form. This was done by tallying up responses, computing percentages of variations in response as well as describing and interpreting the data in line with the study objectives and assumptions through use of statistical package for social sciences (SPSS). Mugenda and Mugenda (1999), explains that SPSS is a comprehensive, integrated collection of computer programme for managing, analyzing and displaying data. The qualitative data was coded thematically and then analyzed statistically.



## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

This chapter presents analysis of the data on the procurement management performance in public universities; the data collection instrument used was questionnaires. Out of the 15 questionnaires distributed 12 were collected back fully filled GIVING A RESPONSE RATE OF 80%. This response rate was good and representative according to Mugenda and Mugenda (2003) provisions that a response rate of above 70% is excellent and good enough for generalization of findings to the whole population.

### **4.2 Demographic Information**

The study sought to find out the gender of the respondents. From the findings, majority (58.3%) of the respondents were male, while 41.7% of them were female. These findings show that the respondents were evenly distributed across gender and conform to the provision of the new Kenya Constitution which requires that at least one third of employees be of either gender.

On the age distribution of the respondents, 58.3% of the respondents were aged between 28-37 years, 25% of the respondents were aged over 48 years, 8% of the respondents were aged between 18-27 years old and 8% of the respondents were aged between 38-47 years. These findings show that the respondents were distributed across all ages. However, majority of the respondents were aged between 28-37 years. This could be largely because these are the active years of an individual's employment career and as the age increases, employees move across employers in search of better paying positions.

On the education level of the respondents, 41.7 % of the respondents were college graduates 25% of the respondents had a Bachelors' degree while as 33.3 of the respondents had other educational qualification including master's degrees and professional examinations. These findings show that the respondents were better qualified to handle matters of procurement at their colleges and hence were more suited to provide data required by this study.

On the years of service of the respondents, 41.7% of the respondents had worked for between 1-5 years, 33.3 % of the respondents had worked for over ten years and 25% of the respondents had worked for between 6-10 years. These findings show that the respondents had worked with their respective colleges for long enough to understand the procurement process and how effective it was. Hence they provided reliable data for the study.

On the designation of the respondents, 41.7% of the respondents were technical staff, 33.3% of the respondents were assistant heads, 16.7 % of the respondents were head of departments and 8.3% of the respondents were supervisors. These findings confirm that the respondents were drawn from different designations in the colleges hence more representative of the experience on procurement process at the colleges because different designations feel different challenges in the procurement processes.

#### **4.3 Oversight and enforcement challenge on the procurement management**

The study sought to establish the extent to which oversight and enforcement challenge affected the procurement management in the university. From the data findings, 50.0% of the respondents indicated that oversight and enforcement challenge affected the

procurement management to a great extent, 33.3% of the respondents indicated that it affected to a very great extent and 16.7% of the respondents indicated that it affected to a moderate extent. These findings show that oversight and enforcement challenge affected procurement management to a great extent. This is because oversight and enforcement ensures that the due procedures are followed and adhered to hence timely procurement of quality supplies.

#### **4.4 Challenges in the Procurement Management**

Several challenges were identified and the respondents required to indicate their level of agreement on each challenge using a five point likert scale. The scale ranged from 1= very great extent and 5= to a no extent. From the responses, the study computed mean and standard deviation as shown in the table 4.7 below: On the mismanagement of oversight over the decentralized system the respondents agreed to a great extent as indicated by a mean of 2.5833. These show that following decentralization, it became somewhat difficult to carry out oversight effectively. These findings are inconsistent with the findings of Ngugi and Mugo (2012) who established that in order to improve procurement efficiency, Kenya government ministries needed to centralize the procurement system. On leverage on the buying power that comes with centralized purchasing the respondents agreed to a great extent as indicated by a mean of 2.5833. Centralization of procurement process promotes efficiency and effectiveness. These findings are consistent with the recommendations of Ngari (2012) on the need to increase efficiency and effectiveness in procurement processes.

The respondents were requested to indicate the extent to which creation of adequate capacity in the buying agencies to tackle types of procurement and powers and responsibilities affected procurement performance. From the findings, it was established that it affected procurement performance to a great extent as indicated by a mean of 2.6667. These findings are consistent with the argument of Thai (2001) that the basic principles of good procurement practice should include high level of accountability which have effective mechanisms must be in place to enable procuring entities spend limited resources carefully.

The respondents were required to indicate their level of agreement on the extent to which endowment with operational independence affected procurement management at the universities. From the findings, the study established that endowment with operational independence affected procurement performance to a great extent as indicated by a mean of 2.4167. On existing government structures the respondents agreed that it affected procurement performance to a great extent as indicated by a mean of 2.6667. These findings are consistent with the recommendations of Otieno (2004) who noted that the irregular procurement activities in public institutions provided the biggest loophole which public resources were misappropriated.

The respondents were somewhat neutral on abuse of the procurement system as indicated by a mean of 2.8333 which is close to 3.0000. Inconsistent enforcement of the prevailing rules did not affect procurement management as indicated by a mean of 2.8333. This shows that the procurement process at the universities had been streamlined to weed out any loopholes those inconsistent rules. As Otieno (2004) noted irregular procurement activities in public institutions provided the biggest loophole which public resources were

misappropriated hence the removal of any inconsistencies promotes health procurement process in public universities.

On compliance with procedural requirements the respondents agreed to a great extent as indicated by a mean of 2.6667. On compromise on the intent and spirit of rules the respondents agreed to a great extent as indicated by a mean of 2.6667. On ambiguities and gaps in the rules the respondents agreed to a great extent as indicated by a mean of 2.4167. These findings are consistent with the findings of Eyaa and Oluka (2011) who explained that non-compliance in public procurement leads to misuse of government resources.

On institutional oversight mechanisms such as procurement audits the respondents agreed to a moderate extent as indicated by a mean of 3.1667. These findings concur with those of Otieno (2004) that irregular procurement activities in public institutions comprised the biggest loophole through which public resources were misappropriated. On inefficient and costly system the respondents agreed to a great extent as indicated by a mean of 2.5000. These findings are in line with the provisions of Aweyaw, Mensah and Osei-Tutu (2012) who indicated that in order for procurement process to be efficient and cost effective, procurement officers needed to observe integrity and accountability in their undertakings.

#### **4.5 Non-Transparent Procurement Practices**

The study sought to establish the extent to which non-transparent procurement practices pose a challenge to the procurement management in the university. From the data findings, majority 41.7 % of the respondents indicated non-transparent procurement

practices pose a challenge to the procurement management in the university to a very great extent, 33.3% of the respondents indicated that non-transparent procurement practices pose a challenge to the procurement management to a very great extent, 16.7% of the respondents indicated that non-transparent procurement practices pose a challenge to the procurement management a moderate extent and 8.3% of the respondents indicated that non-transparent procurement practices pose a challenge to the procurement management to a little extent. These findings are supported by those of Ngugi and Mugo (2012) who argued that high amounts of discretion without adequate controls could create opportunities for corruption.

#### **4.6 Challenges of Procurement Performance**

The study sought to establish the rate to which the university faces the following challenges in procurement management. Mean and standard deviation was computed to find out if the university faced accountability challenges in procurement management. From the findings, the study established that the respondents agreed to a great extent that the university faced accountability challenges in procurement management as indicated by a mean of 2.5833. As Thai (2001) noted, good procurement process should include accountability and integrity where effective mechanisms are in place in order to ensure all procurement undertakings are done according to the laid down processes.

The respondents agreed to a great extent that corruption affected procurement management as indicated by a mean of 2.4167. As Otieno (2004) pointed out, irregular procurement activities in public institutions provided big loopholes through which public resources were misappropriated. In order to reduce misappropriation of public resources, it is important that public institutions have in place adequate measures that would

promote high levels of integrity and accountability. The respondents were however somewhat neutral on as to whether governance affected procurement management as indicated by a mean of 2.9167. Waters (2004) argues that sound procurement policies and practices are among essential elements of good procurement governance.

The study further sought to establish the extent to which the respondents agreed with agree with the following as the challenges of non-transparent procurement practices faced in procurement management. Asked if corruption was rampant hindering the implementation of the 2005 Procurement Act, the respondents agreed to a moderate extent as indicated by a mean of 3.4167. These findings show that the university observed good procurement principles that excluded corruption. These findings show that the university observed accountability and integrity in procurement as recommended by Thai (2001). Concerning whether officials are responsible for decision making the respondents agreed to a great extent as indicated by a mean of 2.3333.

On governments' adherence to higher standards of conduct by ensuring that procurement conduct will be open to scrutiny, the respondents agreed to a great extent as indicated by a mean of 2.4167. These findings show that the procurement processes were open to scrutiny hence promoting accountability and integrity in their operations. On if the right procedures were used in awarding contracts the respondents agreed to a great extent as indicated by a mean of 2.7500. As Thai (2001) indicated, the basic principles of good procurement practice are accountability and integrity. By allowing public scrutiny of the procurement contracts, it shows that the procurement processes were carried out in an open and fair manner.

On the challenges in decision making restraining suppliers the respondents agreed to a great extent as indicated by a mean of 2.3333. Asked if the lack of transparency due to absence of information on rules and practices operate as a barrier to the implementation the respondents agreed to a great extent as indicated by a mean of 2.5000. Clear procurement rules and procedures ensure that the staffs in the procurement offices are governed in all they do and can be able to justify their actions.

#### **4.7 Effective Links between Procurement and Financial Management**

The study sought to establish the extent to which the effective links with financial management challenge the management of procurement in the university From the data findings, majority 41.7 % of the respondents indicated that there were effective links with financial management challenge the management of procurement to a moderate extent, 33.3% of the respondents indicated that there were effective links to a great extent and 25% of the respondents indicated that there were effective links to a very great extent. As Thai (2001) pointed out, financial management involving high levels of accountability are important elements of procurement management in any organization. This was the case as noted in the responses.

#### **4.8 Challenges in the procurement management in the university**

The study sought to establish the extent to which the following challenges in the procurement management in the university. On ineffective financial management the respondents agreed to a moderate as indicated by a mean of 3.0000. On difficult finance decision making process management the respondents agreed to a great extent as indicated by a mean of 2.5833. On combination of assets to deal with a financial issue the respondents agreed to a great extent as indicated by a mean of 2.9167. On the taxing and



spending on the public the respondents agreed to a great extent as indicated by a mean of 2.9167. On the challenge of budget preparation the respondents agreed to a great extent as indicated by a mean of 2.1667. On hardships in internal controls the respondents agreed to a great extent as indicated by a mean of 2.6667.

Problems in accounting the respondents agreed to a great extent as indicated by a mean of 2.5833. On challenges of internal and external auditing the respondents agreed to a great extent as indicated by a mean of 2.6667. On challenges in monitoring and reporting arrangements the respondents agreed to a great extent as indicated by a mean of 2.3333. On unclear links to procurement planning the respondents agreed to a great extent as indicated by a mean of 2.3333. From the findings, it can be noted that the university faced several challenges in its procurement performance management. As Onsongo, Okioga, Otieno and Mongare (2012) examined, there are many challenges facing procurement committees in the implementation of Procurement Act. These included strengthening the democratic political process, and public accountability; creating real market conditions; and improving work ethics in which public good is valued more than individual.

#### **4.9 Records Management and Filing Systems**

The study sought to establish the extent to which the following challenges of records management and filing systems affected procurement management in the university. From the data findings, majority 33.3 % of the respondents indicated that the challenges of records management and filing systems affected procurement management to a very great extent, 25.5 % of the respondents indicated that the challenges of records management and filing systems affected procurement management to a great extent

another 25.5% of the respondents indicated that that the challenges of records management and filing systems affected procurement management to a moderate extent while 16.7% of the respondents indicated that the challenges of records management and filing systems affected procurement management to a little extent.

On the challenges in keeping track of important information the respondents agreed to a great extent as indicated by a mean of 1.8333. On the problems in classification or sorting out of data the respondents agreed to a great extent as indicated by a mean of 2.1667. On the Storage or archiving of data and records the respondents agreed to a great extent as indicated by a mean of 2.0000. On Retrieving of the records and systems the respondents agreed to a great extent as indicated by a mean of 2.0000. On Poor technological infrastructure for record keeping the respondents agreed to a great extent as indicated by a mean of 2.3333. On Insecure record keeping for safeguarding the ministry records the respondents agreed to a great extent as indicated by a mean of 2.2500. Information management is an important element of efficient and effective procurement management process for better procurement performance. Information should be well stored and easily retrieved. As Ngugi and Mugo (2012) examined, procurement in public institutions was affected by lack of accountability to a very great extent and justification of results to internal or external monitors to a moderate extent.

On Comparison with the current operations the respondents agreed to a great extent as indicated by a mean of 2.2500. On Failure in knowing the amount owed to creditors or customers and the due dates the respondents agreed to a great extent as indicated by a mean of 2.7500. On Failure of knowing when to place orders and amount of cash required for purchases the respondents agreed to a great extent as indicated by a mean of

2.3333. On the Challenges of obtaining data in a timely and orderly manner the respondents agreed to a great extent as indicated by a mean of 2.7500. On if Lack of proper record keeping leads to increased operating costs the respondents agreed to a great extent as indicated by a mean of 2.3333. Ameyaw, Mensah and Osei-Tutu (2012) blamed poor record management to low capacity of procurement professionals, low interaction between procurement entities and Public Procurement Authority (PPA), deliberate controlling of competition, non-compliance with provisions of the law, splitting of contracts into smaller lots, lack of funds and non-cooperativeness of suppliers, as the major challenges militating against the implementation of the Public Procurement Law.

On if Improper record keeping leads to low regulatory compliance the respondents agreed to a great extent as indicated by a mean of 2.1667. On if There has been reduced management decision making the respondents agreed to a great extent as indicated by a mean of 2.2500. Finally on if there is a maximized litigation risk the respondents agreed to a great extent as indicated by a mean of 2.9167. Ngari (2012) concluded that corrupt officers, unresponsive bids ignorance of the PPDA guidelines, inefficiency of the PPOA on enforcing the penalties to the offenders and lack of organizational incentives & pressures for Public procurement guidelines implementation were to a great extent challenges.

#### **4.10 Efficiency Levels**

The study sought to establish the extent of efficiency levels challenge the management of procurement. From the data findings, majority 8.3 % of the respondents agreed that there was efficiency levels challenge the management of procurement to a very great extent, 50.0 % of the respondents agreed that there was efficiency levels challenge the

management of procurement to a great extent 33.3% of the respondents agreed that there was efficiency levels challenge the management of procurement to a moderate extent while 8.3 of the respondents agreed that there was efficiency levels challenge the management of procurement to a to a little extent.

Inefficiency in procurement leads increased procurement costs the respondents agreed to a great extent as indicated by a mean of 2.4167. On the failure to order through approved suppliers the respondents agreed to a great extent as indicated by a mean of 2.8333. On the lack of control of the procurement procedures the respondents agreed to a great extent as indicated by a mean of 2.1667. On Inefficiency causes longer cycle times the respondents agreed to a great extent as indicated by a mean of 2.6667. These findings are consistent with those of Eyaa and Oluka (2011) who argued that inefficiencies in the procurement process are costly to organizations.

On Inefficiencies result to high error rates the respondents agreed to a great extent as indicated by a mean of 2.7500. On Reducing the ability to negotiate lower prices the respondents agreed to a great extent as indicated by a mean of 2.5000. On Inefficiencies lead to loss of public properties the respondents agreed to a great extent as indicated by a mean of 2.6667. On More highly unorganized information pose a challenge to the implementation of the 2005 procurement act in the ministry the respondents agreed to a great extent as indicated by a mean of 2.6667. These findings are consistent with the recommendations by Thai (2001) who indicated that an ideal procurement system should also focus on effectiveness, where procuring entities should meet the commercial, regulatory and socio-economic goals of government in a manner that is appropriate to the procurement requirement.

On Decreased control over the supply chain the respondents agreed to a great extent as indicated by a mean of 3.0000. On Lower quality purchasing decisions within the university the respondents agreed to a great extent as indicated by a mean of 2.9167. On Inefficiencies are brought by ordering unapproved or nonessential items the respondents agreed to a great extent as indicated by a mean of 2.9167. On Inefficiencies are experienced due to poor compliance with corporate contracts leading to unnecessary administrative overhead the respondents agreed to a great extent as indicated by a mean of 2.4167. Otieno (2004) notes the irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated. In some cases, tenders are awarded to firms either through single sourcing or manipulation of bids; and worse still, full payments have often been made for projects that fail to take off or are abandoned half way.

On if it removes the diffusion of accountability for procurement decisions the respondents agreed to a very great extent as indicated by a mean 1.8333. On the Management of oversight over the decentralized system the respondents agreed to a great extent as indicated by a mean of 2.2500. On if it enables capacity to be built in the user agencies where there is a greater need the respondents agreed to a great extent as indicated by a mean of 2.0000. As Otieno (2004) noted, implementation of better procurement rules and procedure and promotion of good governance in procurement management promotes efficiency, effectiveness, integrity and accountability in procurement management and performance.

## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter provides the summary of the findings from chapter four, and also gives the conclusions and recommendations of the study.

### **5.2 Summary of the Findings**

Majority (58.3%) of the respondents were male, while 58.3% of the respondents were aged between 28-37 years and 8% of the respondents were aged between 38-47 years. Most 41.7 % of the respondents were college graduates 25% of the respondents had a Bachelors' degree 41.7 of the respondents had worked for between 1-5 years. Most 41.7% of the respondents were technical staff and 8.3% of the respondents were supervisors.

50.0% of the respondents indicated that oversight and enforcement challenge affected the procurement management to a great extent. On the mismanagement of oversight over the decentralized system the respondents agreed to a great extent as indicated by a mean of 2.5833. On leverage on the buying power that comes with centralized purchasing the respondents agreed to a great extent as indicated by a mean of 2.5833 while on creation of adequate capacity in the buying agencies to tackle types of procurement.

Majority 41.7 % of the respondents indicated non-transparent procurement practices pose a challenge to the procurement management in the university to a very great extent and 8.3% of the respondents indicated that non-transparent procurement practices pose a

challenge to the procurement management to a little extent. On if the university faced accountability challenges in procurement management the respondents agreed to a great extent as indicated by a mean of 2.5833, on corruption the respondents agreed to a great extent as indicated by a mean of 2.4167 and on governance the respondents agreed to a great extent as indicated by a mean of 2.9167.

Asked if corruption is rampant hindering the implementation of the 2005 procurement act the respondents agreed to a moderate extent as indicated by a mean of 3.4167 while asked concerning whether officials are responsible for decision making the respondents agreed to a great extent as indicated by a mean of 2.3333.

On ineffective financial management the respondents agreed to a moderate as indicated by a mean of 3.0000. On difficult finance decision making process management the respondents agreed to a great extent as indicated by a mean of 2.5833. On combination of assets to deal with a financial issue the respondents agreed to a great extent as indicated by a mean of 2.9167. On the taxing and spending on the public the respondents agreed to a great extent as indicated by a mean of 2.9167 and on the challenge of budget preparation the respondents agreed to a great extent as indicated by a mean of 2.1667.

On the challenges in keeping track of important information the respondents agreed to a very great extent as indicated by a mean of 1.8333. On the problems in classification or sorting out of data the respondents agreed to a great extent as indicated by a mean of 2.1667. On the Storage or archiving of data and records the respondents agreed to a great extent as indicated by a mean of 2.0000. On Retrieving of the records and systems the respondents agreed to a great extent as indicated by a mean of 2.0000. and on Poor

technological infrastructure for record keeping the respondents agreed to a great extent as indicated by a mean of 2.3333. Finally on if there is a maximized litigation risk the respondents agreed to a great extent as indicated by a mean of 2.9167.

50.0 % of the respondents agreed that there was efficiency levels challenge the management of procurement to a great. Inefficiency in procurement leads increased procurement costs the respondents agreed to a great extent as indicated by a mean of 2.4167. On More highly unorganized information pose a challenge to the implementation of the 2005 procurement act in the ministry the respondents agreed to a great extent as indicated by a mean of 2.6667 Finally on if it removes the diffusion of accountability for procurement decisions the respondents agreed to a very great extent as indicated by a mean 1.8333. On the Management of oversight over the decentralized system the respondents agreed to a great extent as indicated by a mean of 2.2500. On if it enables capacity to be built in the user agencies where there is a greater need the respondents agreed to a great extent as indicated by a mean of 2.0000.

### **5.3 Conclusions**

The study concludes that oversight and enforcement challenge affected the procurement management to a great extent and that the mismanagement of oversight over the decentralized system the respondents agreed to a great extent There was leverage on the buying power that comes with centralized purchasing and creation of adequate capacity in the buying agencies to tackle types of procurement.



The study further concludes that non-transparent procurement practices pose a challenge to the procurement management in the university to a very great extent and the university faced accountability challenges in procurement management the respondents. Corruption is rampant hindering the implementation of the 2005 procurement act and that officials are responsible for decision making.

The study also concludes that there was combination of assets to deal with a financial issue the respondents and that there were problems in classification or sorting, Storage or archiving of data and records and retrieving of the records and systems as well as Poor technological infrastructure for record keeping.

#### **5.4 Recommendations**

The study recommends that University of Nairobi adopts the idea of centralized decision making to enhance the speed of decision making, enabling control of activities and thus reducing procurement challenges. The university also needs to encourage staff involvement/participation in decision making to tap their creativity.

The study further recommends the university ought to encourage centralized procurement to enhance effectiveness of these mechanisms and promote standardization. This will limit the discretion of members of staff in awarding contracts hence increase oversight and enforcement.

Finally it is recommended that the university encourages centralization of planning, carry out frequent procurement planning. This would enhance coordination of activities, control of inventory; control of budgeting and control of budgeting therefore enable performance evaluation.

### **5.5 Limitations of the Study**

The researcher encountered various limitations that were likely to hinder access to information sought by the study. The researcher encountered problems of time as the research was being undertaken in a short period with limited time for doing a wider research.

The study also faced high resistance from the target respondents fearing to provide accurate information for fear that the information provided may be used for other purposes other than academic purposes. In order to confirm that the study was purely for academic purposes, the researcher carried with them a letter of introduction from the University of Nairobi.

### **5.6 Suggestions for Further Studies**

This study has investigated the procurement management performance in the public universities. This study was carried out in the University of Nairobi, should also be carried out on other universities to find out if the same results will be obtained.

This study was carried out in a parastatal. Further study should be carried in other types of business ownerships for example private and public limited companies, cooperative to find out if the same results will be obtained.

## REFERENCES

- Arnold, P. A. (2002). *Writing a New Chapter*, MRO Today, October/November, 2002, Pages 16-23.
- Arrowsmith, S. (1990). Judicial Review and the Contractual Powers of Public Authorities." *Law Quarterly Review*, 106: 277-292.
- Arrowsmith, S. (2002). "The E.C. Procurement Directives, National Procurement Policies and Better Governance: The Case for a New Approach." *European Law Review*, 27: 3-24.
- Arrowsmith, S., Lineralli, J., & Wallace, D. Jr. (2000). *Regulating Public Procurement: National and International Perspectives*. Dordrecht, The Netherlands: Kluwer Law International.
- Baily, P. , Farmer, D. , Jessop, D. , & Jones, D. (2005). *Purchasing principles and management*. Pearson Education, Essex.
- Baily, P., Farmer, D., Jessop, D., and Jones, D. (1998). *Purchasing Principles and Management* eighth edition. Government press.
- Barrett, P. (2000), "Balancing accountability and efficiency in a more competitive public sector environment", *Australian Journal of Public Administration*, Vol. 59 No.3, pp.58-71.
- Breitman, R. L., and J. M. Lucas (1987) Planets: A Modeling System for Business Planning. *Interfaces*, 17, Jan.-Feb., 94-106.
- Bryman, A and Bell, E (2003) *Synthesizing Research; A guide for Literature Reviews* (3<sup>rd</sup> edn) Sage: Thousand Oaks.
- Chung, K.-S and J. C. Ely (2002): "Mechanism Design with Budget Constraint," *Working Paper*.
- Commonwealth Procurement Guidelines (2005).
- Cooper, D.R and Schindler, P.S. (2003) *Business Research Methods* (8<sup>th</sup> edn) McGraw-Hill: New York.

- Cooper, D.R and Schindler, P.S. (2003), *Business Research Methods* (8th edn), McGraw-Hill: New York.
- Cooper, M. C., and L. M. Ellram (1993) Characteristics of Supply Chain Management and the implications for Procurement and Logistics Strategy, *The International Journal of Logistics Management*, 4, 2, 13-24.
- Copeland, Kenneth B., (2004). "Leaning on Suppliers; The Value of Lean Management Practices to Strategic Supply Chain Management," *ISM Conference, Value X 4*, November 2004.
- Donald C. (2006) *Synthesizing Research; A guide for Literature Reviews* (3<sup>rd</sup> edn) Sage: Thousand Oaks.
- Donald C. (2006), *Synthesizing Research; A guide for Literature Reviews* (3rd edn) Sage: Thousand Oaks.
- Gershon, P. (2004). *Releasing Resources to the Front Line: Independent Review of Public Sector Efficiency*, HM Treasury, London.
- Giunipero, L and Kemp, A., (2005). "Supply Management Beyond 2010: What We Must Know," *ISM International Conference Proceedings*, San Antonio, TX, May 2005
- Hardaker, G and Graham G. (2000). *Energising Your Supply Chain for E-Commerce*, Proceedings of the IMP.
- Holl, A., (2004). 'Start-ups and Relocations: Manufacturing Plant Location in Portugal.' *Regional Science* 83: 649-668.
- Holweg, M., and Pil, F. K. (2001). 'Successful Build-to-Order Strategies start with the Customer.' *Sloan Management Review* (Fall): 74-75.
- Kelman, S. (1990). *Procurement and Public Management*, Washington, DC: The AEI Press.
- Kerlinger, F. K. (1978). *Foundations of Behavioral research* (3<sup>rd</sup> Edition). London: Surjeet Publishers.
- Kibet, T. (2007), *Evaluation of Purchase Procedures in Government Entity*. 12-256
- Kombo, D. K. & Tromp, D. L. A (2006). *Proposal and Thesis Writing*. Nairobi. Paulines Publications.

- Krüger, K. (1998). "The Scope for Post-Tender Negotiations in International Tendering Procedures." In Arrowsmith S. & Arwel D. (Eds.), *Public Procurement: Global Revolution* (pp. 181-198). Dordrecht, the Netherlands: Kluwer Law International.
- Lee, H. L., and C. Billington (1992) Supply Chain Management: Pitfalls and Opportunities. *Sloan Management Review*, 33, Spring, 65-73.
- Lowson, R. (2002). Assessing the Operational Cost of Offshore Sourcing Strategies.' *International Journal of Logistics Management* 13 (2): 79-89.
- Lysons, K., and Farrington, B. (2006) Purchasing and Supply Chain Management Seventh edition.
- Mankiw, G., (2004). *The Economic Report of the President*. Washington DC, Council of Economic Advisers. February 17, 2004.
- Maskin, E. (2002). How to reduce greenhouse gas emissions - an application of auction theory, Nancy L. Schwartz Memorial Lecture, Northwestern University.
- McCormick, Richard, (2003). "As Exide Pursues Lean, It Emerges From The 'Stone Ages' Of Manufacturing," *Manufacturing News*, Thursday, May 16, 2003, Pages 6-12.
- McCubbins, M. D., Noll, R. G., & Weingast, B. R. (1987). Administrative Procedures as Instruments of Political Control. *Journal of Law, Economics and Organization*, 3 (2): 243-277.
- Mugenda M. O. and Mugenda A. (1999), *Research Methods: Qualitative and Quantitative Approaches*, African Centre for Technology Studies, Nairobi, Kenya.
- Mugenda, A. G. (2008). *Social Science Research: Theory and Principles*. Nairobi, Arts Press.
- Mugenda, A., and Mugenda, O., (1999). *Research Methods: Qualitative and Quantitative Approaches*. Nairobi: Acts Press.
- Mugenda, O.M and Mugenda, A.G (2003) *Research Methods, Quantitative & Qualitative Approaches*, Acts Press, Nairobi.
- Neuman, W.L., (2000). *Social Research Methods: Qualitative and Quantitative Approaches*. Boston: Allyn and Bacon Publishers.

- Ngechu. M. (2004), *Understanding the research process and methods*. An introduction to research methods. Acts Press, Nairobi.
- Ombaka, E. (2009). *Management of medicines procurement in Developing countries*.
- Owur, O. (2006) *Procurement Procedure* Daily Nation, Nation Media Group. Nairobi.
- Paton, M.Q., (2002), *Qualitative Research and Evaluation Methods (3<sup>rd</sup> Edition)*. London: Sage Publications.
- Porter, M., (1985), *Competitive Advantage; Creating and Sustaining Superior Performance*, Free Press, New York.
- Puga, D. (2002), 'European Regional Policies in Light of Recent Location Theories,' *Journal of Economic Geography* 2 (4): 373-406.
- Rwoti, G. (2005). Procurement performance measurement systems - a survey of large manufacturing companies in Nairobi.
- Salemi N.A (1997), *Purchasing and Supplies Management Simplified* Saleemi Publishers, Nairobi Kenya.
- Sheikh A.O., (2000), *A Study of Strategic Responses By Kenyan Insurance Companies, Following Liberalization*, Unpublished MBA Thesis, University of Nairobi.
- Trepte, P. (2004). *Regulating Procurement: Understanding the Ends and Means of Public Procurement Regulation*. Oxford, UK: University Press.
- Waters D. (2004). *Introduction To Supply Chain Management* Pal grave Macmillan
- Webb, A., (2004). 'U.S. Suppliers are missing a chance in China.' *Automotive News* (February 21).
- Zenz, G. J., (1994). *Purchasing and the Management of Materials*. New York, John Wiley.
- Zhang, A., (2001). 'China's WTO Accession: Implications for the Auto Sector.' *Executives Perspectives, Price WaterhouseCoopers* (April).

## APPENDIX I: QUESTIONNAIRE

Kindly answer all the questions by ticking in the appropriate box or filling in the spaces provided.

### SECTION A: GENERAL INFORMATION

1. What is your gender?

Female  Male

2. Your age bracket (Tick whichever appropriate)

18 – 27 Years  28 - 37 years

38 – 47 years  Over 48 years

3. What is your education level? (Tick as applicable)

College  Bachelors' degree

Others-specify.....

Years of service/working period (Tick as applicable)

Less than 1 year  6-10 years

1-5 years  Over 10 years

4. Please indicate your designation

Head of department/unit/division

Assistant head

Supervisor

Technical Staff

### SECTION B: OVERSIGHT AND ENFORCEMENT

5. To what extent do oversight and enforcement challenge affect the procurement management in the university?

To a very great extent

To a great extent

- To a moderate extent [ ]
- To a little extent [ ]
- To no extent [ ]

6. To what extent does the university face the following challenges in the procurement management? (Use a scale of 1 to 5 where 1 is to a very great extent and 5 is to no extent).

<b>Challenges</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Mismanagement of oversight over the decentralized system					
Leverage on the buying power that comes with centralized purchasing					
Creation of adequate capacity in the buying agencies to tackle types of procurement					
Powers and responsibilities					
Endowment with operational independence					
Existing government structures					
Abuse of the procurement system					
Inconsistent enforcement of the prevailing rules					
Compliance with procedural requirements					
Compromise on the intent and spirit of rules					
Ambiguities and gaps in the rules					
Institutional oversight mechanisms such as procurement audits					
Inefficient and costly system					

**SECTION C: NON-TRANSPARENT PROCUREMENT PRACTICES**

7. To what extent do non-transparent procurement practices pose a challenge to the procurement management in the university?

- To a very great extent [ ]
- To a great extent [ ]



- To a moderate extent      [ ]
- To a little extent        [ ]
- To no extent                [ ]

8. Rate the extent to which the university faces the following challenges in procurement management? (Use a scale of 1 to 5 where 1 is to a very great extent and 5 is to no extent).

<b>Challenges</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Accountability					
Corruption					
Governance					

9. To what extent do you agree with the following as the challenges of non-transparent procurement practices faced in procurement management? (Use a scale of 1 to 5 where 1 is strongly agree and 5 is strongly disagree).

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Corruption is rampant hindering the implementation of the 2005 procurement act					
Officials are responsible for decision making					
Governments to adhere to higher standards of conduct by ensuring that conduct will be open to scrutiny					
Right procedures are used in awarding contracts					
Challenges in decision making restrain suppliers					
Lack of transparency due to absence of information on rules and practices operate as a barrier to the implementation					

**SECTION D: EFFECTIVE LINKS BETWEEN PROCUREMENT AND FINANCIAL MANAGEMENT**

10. To what extent does effective links with financial management challenge the management of procurement in the university?

- To a very great extent [ ]
- To a great extent [ ]
- To a moderate extent [ ]
- To a little extent [ ]
- To no extent [ ]

11. To what extent does the University face the following challenges in the procurement management in the university? (Use a scale of 1 to 5 where 1 is to a very great extent and 5 is to no extent).

<b>Challenges</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Ineffective financial management					
Difficult finance decision making process					
Combination of assets to deal with a financial issue					
Taxing and spending on the public					
Challenge of budget preparation					
Hardships in internal controls					
Problems in accounting					
Challenges of internal and external auditing					
Challenges in monitoring and reporting arrangements					
Unclear links to procurement planning					

**SECTION E: RECORDS MANAGEMENT AND FILING SYSTEMS**

12. To what extent are challenges of records management and filing systems affect procurement management in the university?

- To a very great extent [ ]
- To a great extent [ ]
- To a moderate extent [ ]
- To a little extent [ ]
- To no extent [ ]

13. To what extent do the following challenges of poor records management and filing systems affect procurement management in the university? (Use a scale of 1 to 5 where 1 is to a very great extent and 5 is to no extent).

<b>Challenges</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Challenges in keeping track of important information					
Problems in classification or sorting out of data					
Storage or archiving of data and records					
Retrieving of the records and systems					
Poor technological infrastructure for record keeping					
Insecure record keeping for safeguarding the university records					
Comparison with the current operations					
Failure in knowing the amount owed to creditors or customers and the due dates					
Failure of knowing when to place orders and amount of cash required for purchases					
Challenges of obtaining data in a timely and orderly manner					
Lack of proper record keeping leads to increased operating costs					
Improper record keeping leads to low regulatory compliance					
There is maximized litigation risks					
There has been reduced management decision making					

**SECTION E: EFFICIENCY LEVELS**

14. To what extent do efficiency levels challenge the management of procurement in the university?

- To a very great extent [ ]
- To a great extent [ ]
- To a moderate extent [ ]
- To a little extent [ ]
- To no extent [ ]

15. Rate the extent to which the following challenges are experience in the management of procurement in the university? (Use a scale of 1 to 5 where 1 is to a very great extent and 5 is to no extent).

<b>Challenges</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Inefficiency in procurement leads increased procurement costs					
Failure to order through approved suppliers					
Lack of control of the procurement procedures					
Inefficiency causes longer cycle times					
Inefficiencies result to high error rates					
Reducing the ability to negotiate lower prices					
Inefficiencies lead to loss of public properties					
More highly unorganized information pose a challenge to the implementation of the 2005 procurement act in the university					
Decreased control over the supply chain					
Lower quality purchasing decisions within the university					
Inefficiencies are brought by ordering unapproved or nonessential items					
Inefficiencies are experienced due to poor compliance with corporate contracts leading to unnecessary administrative overhead					

16. To what extent does the implementation of the following procurement process benefit the university following ways? (Use a scale of 1 to 5 where 1 is to a very great extent and 5 is to no extent).

17.

<b>Benefits</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Removes the diffusion of accountability for procurement decisions					
Management of oversight over the decentralized system					
Enables capacity to be built in the user agencies where there is a greater need					

**THANK YOU!!**

## **APPENDIX II: LIST OF PUBLIC UNIVERSITIES**

- 1 University of Nairobi
- 2 Moi University
- 3 Kenyatta University
- 4 Egerton University
- 5 Maseno University
- 6 Jomo Kenyatta University of Agriculture and Technology
- 7 Masinde Muliro University of Science and Technology
- 8 Dedan Kimathi University of Technology
- 9 Chuka University
- 10 Technical University of Kenya
- 11 Technical University of Mombasa
- 12 Pwani University
- 13 Kisii University
- 14 University of Eldoret
- 15 Maasai Mara University
- 16 Jaramogi Oginga Odinga University of Science and Technology
- 17 Laikipia University
- 18 South Eastern Kenya University
- 19 Multimedia University of Kenya
- 20 University of Kabianga
- 21 Karatina University
- 22 Meru University of Science and Technology

Source: (Commission for higher education, 2013)