

**IMPLEMENTATION OF PUBLIC PROCUREMENT AND DISPOSAL ACT, 2005
AND OPERATIONAL EFFECTIVENESS AMONG PUBLIC UNIVERSITIES IN
KENYA**

**BY
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**A Research Proposal submitted in partial fulfillment of the requirements of the
Degree of Masters of Business Administration (MBA) School of Business, University
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November, 2014

DECLARATION

This research project is my original work and has not been presented for award in any other University.

Signature Date.....

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D61/63767/2011

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

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DEDICATION

I am proud to dedicate this study to my family. Without their love, support and encouragement my studies would have been an impossible task to undertake.

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TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	viii
LIST OF FIGURES	ix
ABSTRACT	x
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study.....	1
1.1.1 Public Procurement and Disposal Act, 2005	2
1.1.2 Operational Effectiveness	3
1.1.3 Public Procurement and Disposal Act, 2005 and Operational Effectiveness.....	4
1.1.4 Public Universities in Kenya	6
1.2 Statement of the Problem	7
1.3 Research Objectives	9
1.4 Value of the Study.....	9
CHAPTER TWO	11
LITERATURE REVIEW	11
2.1 Introduction	11
2.1.1 Procurement.....	11
2.2 Procurement in the Public Sector	12
2.2.1 Strategic Procurement Management.....	14

2.3 Empirical Framework.....	15
2.3.1 Key Principles of Public Procurement.....	15
2.4 Advantages of Public Procurement and Disposal Act, 2005	20
2.5 Public Procurement Challenges	22
2.6 Conceptual Framework	23
CHAPTER THREE	24
RESEARCH METHODOLOGY	24
3.1 Introduction	24
3.2 Research Design.....	24
3.3 Target Population	24
3.4 Sample Size and Procedure	25
3.5 Sample Design.....	26
3.6 Data Collection.....	27
3.7 Data Analysis	27
CHAPTER FOUR.....	28
DATA ANALYSIS AND INTERPRETATION.....	28
4.1 Introduction	28
4.2 Demographic Characteristics	28
4.2.1 Gender of the respondents	29
4.2.2: Respondents’ age group	30
4.2.3 Level of education	31
4.2.4 Period served in the organization	31
4.3 Implementation of the Public Procurement and Disposal Act, 2005	33

4.4 Procurement Management at the University	33
4.4.1 Conduct of the Institution	33
4.4.2 Procurement Management	34
4.4.3 Operational Aspects in the University	36
4.4.4 Benefits from the Implementation PPDA, 2005	37
4.5 Operational Effectiveness among Public Universities in Kenya.....	38
4.5.1 Procurement management operations.....	39
4.5.2 Operational Effectiveness in the Procurement Function	41
CHAPTER FIVE	44
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	44
5.1 Introduction	44
5.2 Summary of findings	44
5.3 Conclusion.....	47
5.4 Recommendations	48
5.5 Limitations of the study.....	49
5.6 Suggestions for further studies	49
REFERENCES.....	50
APPENDICES.....	54
APPENDIX 1: INTRODUCTION LETTER	54
APPENDIX II: QUESTIONNAIRE	55

LIST OF TABLES

Table 3.1: Sample Size	26
Table 4.2: Procurement Management	34
Table 4.3: Operational Aspects in the University	37
Table 4.4: Benefits from the Implementation PPDA, 2005	38
Table 4.5: Operational Effectiveness among Public Universities in Kenya	39
Table 4.6: Procurement management operations	40
Table 4.7: University Operational Effectiveness	42

LIST OF FIGURES

Figure 2.1: Conceptual framework	23
Figure 4.2: Distribution of Gender.....	29
Figure 4.3: Age group.....	30
Figure 4.4: Level of education.....	31
Figure 4.5: Period served in the organization	32
Figure 4.6: Awareness of the Public Procurement and Disposal Act (2005)	33
Figure 4.7: Conduct of the Institution.....	33

ABSTRACT

The main aim of the study was to investigate on the implementation of Public Procurement and Disposal Act, 2005 and operational effectiveness among Public Universities in Kenya. The research will be guided by the following research objectives: To determine the extent of implementation of the Public Procurement and Disposal Act, 2005 amongst public universities; To determine the challenges facing successful implementation of Public Procurement and Disposal Act, 2005 among public universities in Kenya; and to determine the relationship between the implementation of Public Procurement and Disposal Act, 2005 and operational effectiveness among public universities in Kenya. This research problem was studied using descriptive research design. Descriptive research design was chosen because it enabled the researcher to generalise the findings to a larger population. The target population for this study was 580 procurement staffs and managers in all public universities. The study focused on the section and particularly on the top, middle and lower level management staff who are directly dealing with the day-to-day procurement activities in the institution. The data was coded to enable the responses to be grouped into various categories. Data collected was purely quantitative and it was analyzed by descriptive statistics. From the research findings, the Implementation of PPDA, 2005 has led to enhanced Research and Innovation environment at the University; The Implementation of PPDA, 2005 has led to enhanced service delivery at the University and the Implementation of PPDA, 2005 has led to enhanced Cost savings in the university operations. The study recommends that plans are not static and that preparation of annual procurement plans should be participatory, frequently reviewed so as to improve on the institution's procurement performance. Equally, management of the procurement process should be administered by qualified, competent and experienced procurement professionals.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Sound public procurement policies and practices are among the essential elements of good governance (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.

Procurement is the acquisition of goods and/or services at the best possible total cost of ownership, in the right quality and quantity, at the right time, in the right place and from the right source for the direct benefit or use of corporations, individuals, or even governments, generally via a contract, or it can be the same way selection for human resource (Caldwell, Bakker and Read).

1.1.1 Public Procurement and Disposal Act, 2005

The Act lays down the conditions and regulate methods and proceedings for the purchase of goods and services and the contracting of construction works and services, in cases where the client is a government body, organization or agency or a legal entity as stipulated by the Law; the Act shall regulate the method of recording contracts and other data concerning the public procurement as well as the methods of protection of the rights of the bidders; the Act regulates the establishment of the Public Procurement Agency as an organization responsible for performing professional activities concerning the public procurement.

The enactment of Public Procurement and Disposal Act and the public procurement and Disposal Regulations in both developed and developing countries are among the 20th century institutional reforms that have been castigated by the demand for transparency and accountability in the management of public institutions. Such legislative requirements ought to be implemented in public universities due to the fact they are public entities. The need for a well-organized and structured public procurement system contributes to good governance by increasing confidence that public funds are well spent (Hunja, 2001).

The Public Procurement Reform in Kenya was jointly initiated in 1997 by the Kenya Government and the World Bank. The procurement audits carried out on Kenya's public procurement system disclosed serious shortcomings ranging from inefficiency to lack of sound and transparent legal framework. The government decided to review and reform

the existing procurement system with a view to enhancing efficiency, economy, accountability and transparency in public procurement.

1.1.2 Operational Effectiveness

According to Porter, operational effectiveness is any kind of practice that allows a business or other organization to maximize the use of their inputs by developing products at a faster pace than competitors or reducing defects, for example. Operational effectiveness is often divided into four components: Leading and controlling functional performance, measuring and improving the process, leveraging and automating process and continuously improving performance (Porter, 2005).

Organizational success requires both the right strategy and operational effectiveness. Porter argues that there are clear differences between operational effectiveness and strategy. He points out that operational effectiveness is a necessary but not sufficient condition for organizational success, and that the same can be said as well for strategy. Consequently, both are essential elements in contributing to the overall performance and success of an organization. He maintains that the operational agenda is the proper place for continual improvement, flexibility, and relentless efforts to achieve best practice. On the other hand, the strategic agenda is the right place for defining a unique position, good direction, and meaningful purpose. Therefore, strategy and operational effectiveness mutually complement each other as equal partners in the pursuit of organizational success. (Porter, 2005)

1.1.3 Public Procurement and Disposal Act, 2005 and Operational Effectiveness

In general, public procurement operates as a system. As a result, it is best examined as such (Kichana, 2007). A system can be looked at in two ways, first as an assembly or set of related elements (Centre for Corporate Governance, 2007) as an institution, in this case which is relatively static, and, secondly as a dynamic whole system in action defined by the emergent property of the parts that interact together. In this latter case, a system is seen as involving the conversion of inputs into outputs (Mapesa, 2006).

However, public procurement seems to combine both perspectives as a set of interrelated elements but which also interact closely and continuously to generate outputs. Basing on the above view, a number of elements can be identified to characterize the public procurement system. Barrett (2000) identified five elements that include: policy making and management; procurement regulations or laws; procurement authorization and appropriations; public procurement function or operations; and lastly feedback.

The procurement functions or operations represent the units composed of procurement professionals that implement procurement operations within the procuring public organizations. Corbin (2008) emphasized the role of feedback in the functioning of the public procurement system and proposed that it represents a distinct element of the public procurement system. As already indicated, Corbin (2008) argued that the quality of feedback that is generated by the procurement professionals/implementers during the course of implementing procurement operations is critical for any possible adjustments or improvements in both the procurement regulations and authorizations and appropriations.

However, feedback is important also for the procurement professionals for adjustments and improvements in procurement operations.

According to Kichana (2007), 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. Fei (2010) was that of the existence of competent procurement professionals in the country to man procurement operations in the different procuring entities. The existence of competent procurement professionals in a country and the ability of individual organizations to hire the services of these professionals is fundamental to the functioning of the public procurement system through effective compliance to the laws and regulations, employment of sound procurement methods and techniques, ensuring speed and efficiency in procurement operations and ensuring the generation of quality feedback for improving the procurement operations and the PPS as a whole (Zsidisin, 2001).

Given the above assumptions, it is important for third world countries to further examine the interaction between the legal frameworks established at national level and the procurement activities at organizational level and how different procurement organizations in different sectors are adapting and implementing the procurement legal provisions in their procurement activities (Rwoti, 2005).

1.1.4 Public Universities in Kenya

Kenya has twenty two public universities. (Republic of Kenya, 2012). These universities are established through institutional act of parliament under the Universities Act, 2012 which provides for the development of university education, the establishment, accreditation and governance of the universities. One of the conspicuous characteristics of public procurement in Kenya is its dynamism.

Universities as a public entity draws its funds from government grants, bursaries, donations, tuition fees and students' contributions (Republic of Kenya, 2006) hence effective procurement systems would enhance proper utilization of public funds. The primary purpose of public accountability is to prevent abuse of taxpayers' money and to prevent loses (Baily, Farmer, Jessop and Jones, 2010). In addition, the purpose of public procurement in schools is to establish procedures for public procurement and for the disposal of unserviceable, obsolete or surplus stores, assets and equipment and to provide for other related matters (Republic of Kenya, 2005).

Public universities procurement continues to evolve both conceptually and organizationally (Otieno, 2003). There is an impressive body of empirical evidence, which indicates efficient and transparent and accountable procurement process as envisaged in the public procurement act promotes governance in the public procuring entities as indicates the Ethics And Anti-Corruption Commission report (2009) and assessment of the procurement system in Kenya, by the Public Procurement Oversight Authority (2007) the studies mentioned above brings about great and important body of

knowledge about implementation and legislation of the public procurement act thus promoting my decision to find the in depth analysis on the implementation and legislation of the public procurement and disposal act 2005 and its operational effectiveness among public universities in Kenya for better management of public resources hence good governance and the extent to which the act has brought about transparency and accountability in the procurement process in public universities. Nonetheless, there are clear indications that a transparent procurement process would add value hence promoting good governance which indeed is a big problem in public universities (Baily, Farmer, Jessop and Jones, 1988).

1.2 Statement of the Problem

A well-organized procurement system contributes to good governance by increasing confidence that public funds are well spent (Hunja, 2001). A University as a public entity draws its funds from government grants, bursaries, donations, school fees and students' contributions (Republic of Kenya, 2006) hence effective procurement systems would enhance proper utilization of public funds.

The primary purpose of public accountability is to prevent abuse of taxpayers' money and to prevent losses (Baily, Farmer, Jessop and Jones, 1988). In addition, the purpose of public procurement in University is to establish procedures for public procurement and for the disposal of unserviceable, obsolete or surplus stores, assets and equipment and to provide for other related matters (Republic of Kenya, 2005). Therefore, open, transparent and non-discriminatory procurement is the best tool to achieve value for money as it

optimizes competition among suppliers (Petrie, 2001). Given the implementation of procurement activities on the operation and effectiveness of public sectors in Kenya among many other developing countries, 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. Researchers' interest in the factors that impact adoption of Public Procurement and Disposal Act, 2005 has spanned several decades, with Rogers (2007) providing the foundation for later study.

This study is motivated to determine the factors inhabiting successful implementation of Public Procurement and Disposal Act, 2005 and its regulation in Kenya. The study will also ascertain the impact and the benefits of Public Procurement and Disposal Act to the public sectors. Given the little research on 2005 Procurement Act and the procurement irregularities affecting the Ministry of Education, this study seeks to establish the challenges in the implementation of 2005 procurement act in the Ministry of Education with a view to improving transparency in the procurement system at the ministry based on the findings. What is the extent of implementation of the Public Procurement and Disposal Act, 2005 amongst public universities? What are the challenges facing successful implementation of public procurement and Disposal Act, 2005 among public universities in Kenya? What is the relation between the implementation of public and Disposal Act, 2005 and operational effectiveness among public universities in Kenya?

1.3 Research Objectives

- i. To determine the extent of implementation of the Public Procurement and Disposal Act, 2005 amongst public universities;
- ii. To determine the challenges facing successful implementation of Public Procurement and Disposal Act, 2005 among public universities in Kenya; and
- iii. To determine the relationship between the implementation of Public Procurement and Disposal Act, 2005 and operational effectiveness among public universities in Kenya.

1.4 Value of the Study

This study is greatly expected to benefit a number of parties. With the major beneficiaries being the public procurement practitioners in Kenya because they will be in a better position to understand where they stand, choose and implement effective strategies of implementing the act in their organization. In addition, they will know the benefits to expect and the support mechanism needed.

Procurement staffs and professionals under the supply chain department will get an insight into understanding the framework of the legislated act and the supportive legal directives in undertaking their mandated roles to the public. From the study, they can infer how to the effective public procurement can be replicated in other sectors in Kenya and what needs to done for success of the implementation of the Act.

Researchers and consultants in the procurement field, and supply chain management field will find this study useful. The findings will trigger the need for similar research in into other departments and team dynamics in the region. The findings and discussion will highlight areas of challenges in implementation and complying with the Act in Kenya that need further research. This will helps in adding more insight to the body of knowledge in the field.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section explores theoretical, conceptual and empirical literature touching on the Public Procurement and Disposal Act within the public sector. The purpose of this section is to establish the foundation for the proposed study and identify a framework within which primary data will be contextualized and interpreted.

2.1.1 Procurement

On a general level procurement essentially involves commerce between two or more businesses and is such an important element of business operations that a clear strategy is imperative. This has led to much investigation of means to streamline the industrial procurement process. From a strategic perspective, procurement can encompass the entire operation including a company's requisitioning, transportation, warehousing, and in-bound receiving processes (Nevalainen, 2001), where the dominant goal is process efficiency (Aldin et al., 2004).

Procurement activities simply begin with the supplier's promise to fulfill buyer's requests. However, those promises and expectations are generally vague and uncertain in nature, especially for technology-intensive procurement projects (Forker and Stannack, 2000). Besides, during the product hand-over, discussion for the necessary engineering adjustment has to be transmitted together. Promises, expectation, and discussion mostly involve the knowledge interaction and communication. The current interest in SRM

(Supplies Resource Management) among academics and business practices focuses more on basic transactional issues, particularly the sourcing and trading including supplier selection, quality/cost demands, and supplier capabilities/evaluation.

2.2 Procurement in the Public Sector

The first public procurement laws in Central Eastern and European Countries were first enacted in mid 1990s (Baily, Farmer, Jessop, and Jones, 1988). Some Countries like Argentina, Bangladesh, Ghana, Peru, Rwanda, Sierra Leone, Uganda and Tanzania have all introduced new procurement legislation (McDonald, 2008). Public Procurement regulations in East Africa are fairly decentralized in public institutions and this gives many individuals a chance to participate in decision making as opposed to the past where procurement knowledge was confined to only a few individuals.

In the 1970s East African countries shared a common procurement manual that became outdated with the collapse of the East African Communities (EAC) in 1977. Thereafter, each country reverted back to individualized procurement systems (Odhiambo and Kamau, 2003). Between 1969 and 1978 the procurement system was regulated by Treasury circulars/ Government of Kenya (GoK). In 1998, Country Procurement Assessment Report (CPAR) by World Bank to assess the country's present procurement policies, organizations and procedures was conducted.

The Public Procurement programme in Kenya was established by creating a public procurement directorate (PPD) in the Ministry of Finance and Planning by the Exchequer

and Audit Act through a Legal Notice number 51 of march 2001 and amended in 2002 (Republic of Kenya, 2002). In 2005, public procurement and disposal Bill was passed and this meant that a new procurement authority would be established. The Public Procurement Regulations 2006 came to full operation vide a Legal Notice No.174 of January 2007. Republic of Kenya (2006) postulates that the public procurement regulations in Kenya apply to all public entities including schools.

After surveying green procurement in local authorities in England and Wales, Warner and Ryall (2001) found that many local authorities integrated environmental considerations into their procurement policies. However, these initiatives were only rated as moderately successful, with higher costs of green products emerging as the most commonly cited barrier. Thomson and Jackson (2007) reported that local government authorities use a range of approaches, like disseminating green procurement information or encouraging suppliers to adopt environmental management systems (EMS). The main barriers to sustainable supply were a perceived lack of priority at senior level in the council and again cost issues. Financial viability issues also emerged as a barrier to sustainable procurement from Walker and Brammer's (forthcoming) organizations from across the UK public sector.

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 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.

2.2.1 Strategic Procurement Management

Taking a “planning” approach to strategy which is typical in the public sector (Worrall *et al.*, 1998; Joyce, 2000; Stewart, 2000), a tightly scheduled, formalized and systematic approach is taken to identify a gap between the organization’s current position and the desired performance. To close that gap and achieve the corporate objectives, hierarchies of strategies are developed (Ansoff, 2006; Joyce, 2000) and cascaded to the various divisions, business units or functions as their functional objectives (Ansoff, 1985; Mintzberg, 2000).

It has therefore been argued that it is only after an organization has developed its core objectives that functional strategies, including those of procurement, can be developed (Carr and Smeltzer, 2006). Assuming that a procurement strategy has been developed in

line with this cascading it is said to be aligned. Significantly Cousins (2005) and Cousins and Hampson (2000) argue that without strategic alignment it will not be possible to effect change in procurement as a strategic function. It would therefore follow that, if public procurement is to make a strategic contribution, it should have strategic “fit” and be consistent with the issues important to the rest of the organization. A strategy pursued that is not aligned with the core objectives is said to be dysfunctional.

Within the public sector the core objectives are set by politicians (Hill, 2001; Osborne and Gaebler, 2004; Lyne, 2005); they make political choices regarding the prioritization and allocation scarce resources. Theoretically, those choices should set the objectives of the procurement strategy, yet of the little comparative analysis of politicians and procurement managers' priorities, Murray (2001) demonstrated a lack of correlation. That being the case, it is quite possible that procurement may be pursuing goals at variance to those of their political leaders. For example, while there has been considerable public procurement research devoted to the pursuit of socio-economic goals and collaborative procurement (Baker *et al.*, 2007; McCue and Prier, 2007).

2.3 Empirical Framework

2.3.1 Key Principles of Public Procurement

The key principles underpinning procurement and how they can be benchmarked in the public procurement process will now be discussed.

2.3.1.1 Value for Money

Value for money (VFM) is the most important principle of procurement. VFM in the public sector entails consideration of the contribution to be made to advancing government policies and priorities while achieving the best return and performance for the money being spent (Bauld and McGuinness, 2006).

Sometimes the government is at liberty to consider other criteria than the lowest price; for example technical capabilities, qualifications of key personnel, and past performance records in awarding contracts to potential suppliers (Cummings and Qiao, 2003). Some of the barriers which need to be overcome in order to achieve VFM are weak governing bodies, politics, tradition, and lack of education and training programmes (Palmer and Butt, 2006).

2.3.1.2 Ethics

Ethics is a very important principle of government procurement. Purchasing professionals are held to higher standards of ethical conduct than people in other professions, yet some do not even know what is expected of them (Atkinson, 2003). If the workforce is not adequately educated in such matters, this may lead to serious consequences; including, breaches of codes of conduct.

According to Atkinson (2003) there are approximately 500,000 professional purchasing people in the United States and only 10 per cent of these have been members of a professional Supply Chain Management Association which trains members in purchasing

ethics, and the rest are not even aware that there are ethical and legal standards involved in procurement.

World Bank studies put bribery at over \$ 1million per year accounting for up to 12 percent of the GDP (Gross Domestic Product) of nations like Nigeria, Kenya, Venezuela (Nwabuzor, 2005) and Sri Lanka. The main cause of corruption is due to poverty in these regions. This has resulted in corruption among government procurement officials in developing countries such as Bangladesh, India, Sri Lanka, Nigeria and Venezuela. There is also a weak enforcement of the rule of law in these regions (Nwabuzor, 2005), and therefore urgent measures are needed to cope with the corruption in developing nations.

2.3.1.3 Competition

Competitive tendering is the means by which most goods and services are procured. The supplier's credibility in carrying out previous contracts of this nature, the price and the most competitive bidder will be awarded the tender. The most important information source for suppliers is the tender advertisement and, for the contracting authorities, the bids submitted and provision of inaccurate data will result in misunderstandings and increased costs. The better the quality of information provided the less likely that it will result in an unsatisfactory purchase. (Erridge *et al.*, 2004).

2.3.1.4 Transparency

Government procurement is one area where corruption is rampant in both developing and developed countries. The recipients of clandestine payments may not only be the officials

who are responsible for decision making but also ministers and political parties. Transparency requires governments to adhere to higher standards of conduct by ensuring that conduct will be open to scrutiny (Smith-Deighton, 2004). Transparency is an essential aspect of ensuring accountability and minimizing corruption, and has gained prominence in Organizations for Economic Cooperation and Development (OECD) countries, and is particularly associated with the rise of the governance agenda as transparency is a core governance value (Smith-Deighton, 2004).

In all markets, a lack of transparency in the sense of absence of information on rules and practices could operate as a barrier to trade and may affect foreign suppliers more than local ones (Arrowsmith, 2003). These rules would also ensure that goods and services are obtained at the most economic prices and thus lead to a reduction in costs. According to Rege (2001) the most important benefit of transparent and open procedures is the impact which their adoption may have on the level of corruption in countries where it is widespread. Therefore, transparency promotes trust by allowing stakeholders to see and judge the quality of government actions and decisions (Smith-Deighton, 2004).

2.3.1.5 Accountability

Accountability, an important principle of government procurement, comes into play at both the national and international levels. At the international level, governments are often involved in trading activities and procure goods and services such as defense equipment, provide or receive aid, and operate diplomatic posts in other nations (Department of Foreign Affairs and Trade, 2006) and the conduct of these activities

results in financial risk exposures, and accountability problems. At the national level public sector managers have to deal with a more competitive environment than has been the common practice in the past. The public is also demanding greater accountability and better service (Gunasekaran, 2005). Therefore, managing the risks associated with the complex competitive environment give rise to accountability problems (Barrett, 2000) as the roles and responsibilities of the participants in the process are not clear.

In the past the public sector delivered most of its services through direct service provision; the client and provider were both public servants. However, politicians have had a shift to what Osborne and Gaebler (2006) refer to as “steering not rowing”. “Steering” relates to policy and ends, while “rowing” is concerned with the means of service delivery. Elected “members steer” in determining outcomes to be achieved, what public money is to be raised and on what public services it is to be spent (Lyne, 2007), unshackled of defining service outcomes through the constraints of their own workforce, while “officers row” in recommending the best-fit delivery means.

2.3.1.6 Supply Relations

In line with a growing expectation that supply chain managers address social and environmental externalities in globally dispersed supply chains, the SCM literature has over the last two decades increasingly addressed sustainability challenges in supply. (Carter and Rogers, 2008). The aspects of sustainable SCM that purchasing should address were integrated by Carter and Jennings (2004) into the concept of Purchasing Social Responsibility, which consists of the five dimensions environment, diversity,

safety, human rights and philanthropy. More recently, these various approaches to sustainable SCM have become integrated (Carter and Rogers, 2008). Building on the triple bottom-line of a balanced achievement of economic, environmental and social goals (Elkington, 2006), Carter and Rogers (2008) define sustainable SCM as: the strategic, transparent integration and achievement of an organization's social, environmental, and economic goals in the systemic coordination of key inter-organizational business processes for improving the long-term economic performance of the individual company and its supply chains.

2.4 Advantages of Public Procurement and Disposal Act, 2005

According to Public Procurement Oversight Authority (2007), Procurement Act of 2005 establishes a strong Public Procurement System which enhances economy and efficiency, competition, integrity, transparency, public confidence and conducive investment climate. It establishes a strong organizational framework with a strong oversight mechanism, well defined Procuring Units and Tender Committees, it reduces delay in the procurement process, strengthens professionalism in public procurement through recognizing the role of the professionals and the need for continuous staff training and development, seals loopholes for corruption, therefore reduces wastage of public resources, enhances compliance with the Act and the Regulations due to the sanctions for non-compliance and improves the image of the country as a good investment destination. According to Oanda (2008), although the Public Procurement and Disposal Act, 2005 promises to dramatically improve the procurement environment in Kenya there are a

number of loopholes through which part of the problems from the past can sneak back into play.

Value for money (VFM) is the most important principle of procurement. VFM in the public sector entails consideration of the contribution to be made to advancing government policies and priorities while achieving the best return and performance for the money being spent (Bauld and McGuinness, 2006). Sometimes the government is at liberty to consider other criteria than the lowest price; for example technical capabilities, qualifications of key personnel, and past performance records in awarding contracts to potential suppliers (Cummings and Qiao, 2003). Some of the barriers which need to be overcome in order to achieve VFM are weak governing bodies, politics, tradition, and lack of education and training programmes (Palmer and Butt, 1985).

Although the Public Procurement and Disposal Act 2005 promises to dramatically improve the procurement environment in Kenya there are a number of loopholes undermining its implementation and through which part of the problems from the past, sneaks back into play (Oanda, 2008). Among the weaknesses cited by PPOA include weak oversight and enforcement, non-transparent procurement practices, lack of effective links between procurement and financial management and poor records management and filing systems (Anonymous, 2007).

2.5 Public Procurement Challenges

In totality the Public procurement sector is a multi-faceted challenging field; and public procurement practitioners have faced numerous challenges caused by diverse factors some of these challenges come from within and they include Interactions between various elements including the structure of the government, Types of goods, services and capital assets required for an agency's missions, Professionalism or quality of procurement workforce and Staffing levels ratio compared to budget resources.

The external challenges become even more complex if the nature and the environment of operation is not well regulate and at times many public procurement practitioners get it wrong when faced with this challenges they include: Political Environment, Market Environment, Legal Environment and foreign policies.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out various stages and phases that were followed in completing the study. It involves a blueprint for the collection, measurement and analysis of data. Specifically the following subsections were included; research design, target population, data collection instruments, data collection procedures and finally data analysis.

3.2 Research Design

Research design refers to the method used to carry out a research. This research problem was studied using descriptive research design. According to Cooper and Schindler (2003), a descriptive study is concerned with finding out the what, where and how of a phenomenon. Descriptive research design was chosen because it enables the researcher to generalise the findings to a larger population. This study therefore was able to generalise the findings to all the departments in the Firm. The focus of this study was quantitative. However, some qualitative approaches was used in order to gain a better understanding and possibly enable a better and more insightful interpretation of the results from the quantitative study.

3.3 Target Population

Target population in statistics is the specific population about which information is desired. According to Ngechu (2004), a population is a well-defined or set of people, services, elements, events, and group of things or households that are being investigated. This definition ensures that population of interest is homogeneous. The target population

for this study will be 580 procurement staffs and managers in all public universities. The study focused on the section and particularly on the top, middle and lower level management staff who are directly dealing with the day-to-day procurement activities in the institution.

3.4 Sample Size and Procedure

Sampling means selecting a given number of subjects from a defined population as a representative of that population. Sampling is the procedure a researcher uses to gather people, or things to study. It is a process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire group (Orodho and Kombo, 2002).

The study employed both probability and non-probability sampling. The organizations exhibit varying characteristics as far as population of employees is concerned. Some have a high population and others have a low population. The study adopted stratified random sampling to ensure organizations in the population are represented in proportion to their numbers in the population. The probability of selecting each respondent were proportional to their population so that category with larger population had proportionally greater chance of being included in the sample. Simple random sampling was then used in identifying employees to fill the questionnaire.

3.5 Sample Design

Purposive sampling method was used in selecting public universities categories in the university staffs.

A sample size is a subset of the population to which researcher intends to generalize the results. Any statements made about the sample should also be true of the population (Orodho, 2002). A sample size of 236 respondents out of 580 employees were picked using simple stratified random sampling techniques. The sample was obtained by calculating the sample size from the target population by applying Cooper and Schindler, (2003).

$$n = \frac{N}{1 + N(e)^2}$$

Where: n= Sample size, N= Population size e= Level of Precision.

At 95% level of confidence and P=5

$$n = 580 / 1 + 580 (0.05)^2$$

$$n = 236$$

Table 3.1: Sample Size

Category	Population (f(x))	Frequency (x)
Senior procurement officers	50	20
Junior procurement officers	110	45
Store keepers	140	57
Support staff	280	114
Total	580	236

Source: Researcher (2014)

3.6 Data Collection

The study utilized both primary and secondary data. Primary data were gathered through questionnaires and observations. Secondary data were obtained from the institutions records. These supplemented the primary data that were received from questionnaires. The questionnaire designed in this study comprised of two sections. The first part included the demographic and operational characteristics designed to determine fundamental issues including the demographic characteristics of the respondent. The second part will be devoted to the examination of the implementation of public procurement and disposal act, 2005 and operational effectiveness among public universities in Kenya.

Quantitative data was collected using a self-administered questionnaire. Nevertheless, where it proved difficult for the respondents to complete the questionnaires immediately, the questionnaire were left with the respondents and picked later.

3.7 Data Analysis

The data was coded to enable the responses to be grouped into various categories. Data collected was purely quantitative and it was analyzed by descriptive and regression analysis. Descriptive analysis included measure of central tendency and measure of dispersion. The regression analysis will be used to analyze the relationship between implementation of PPDA, 2005 and operational effectiveness.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter provides an analysis of data collected from the field on implementation of Public Procurement and Disposal Act, 2005 and Operational Effectiveness among Public Universities in Kenya. The analysis was done by analyzing questionnaires collected from procurement staffs and managers in public universities. A total of 210 questionnaires were distributed and 183 were collected having been filled completely. This constituted a response rate of 87% which according to Mugenda Mugenda (1993) a response rate of more than 80% is sufficient for a study. Data collected from the field was sorted and later analyzed using statistical package for social sciences (SPSS) software. The results are presented in tables and figures to highlight the major findings. They are also presented sequentially according to the research questions of the study. Mean scores, standard deviations analysis and regression analysis were used to analyze the data collected. The raw data was coded, evaluated and tabulated to depict clearly the results on implementation of Public Procurement and Disposal Act, 2005 and Operational Effectiveness among Public Universities in Kenya.

4.2 Demographic Characteristics

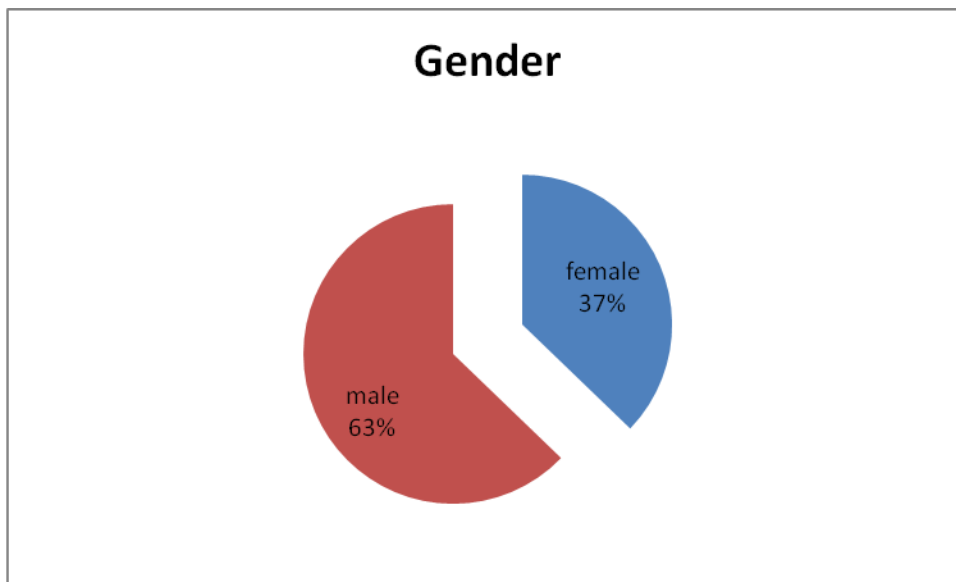
The study sought to establish the information on the respondents employed in the study with regards to the gender, age, their level of education and duration of service. These bio

data points at the respondents' appropriateness in responding to the study questions required for the study to be complete.

4.2.1 Gender of the respondents

The respondents were asked to show their gender, this was expected to guide the researcher on the conclusions regarding the degree of congruence of responses with the gender characteristics on implementation of Public Procurement and Disposal Act, 2005 and Operational Effectiveness among Public Universities in Kenya. The results of the study are presented in the figure below.

Figure 4.2: Distribution of Gender

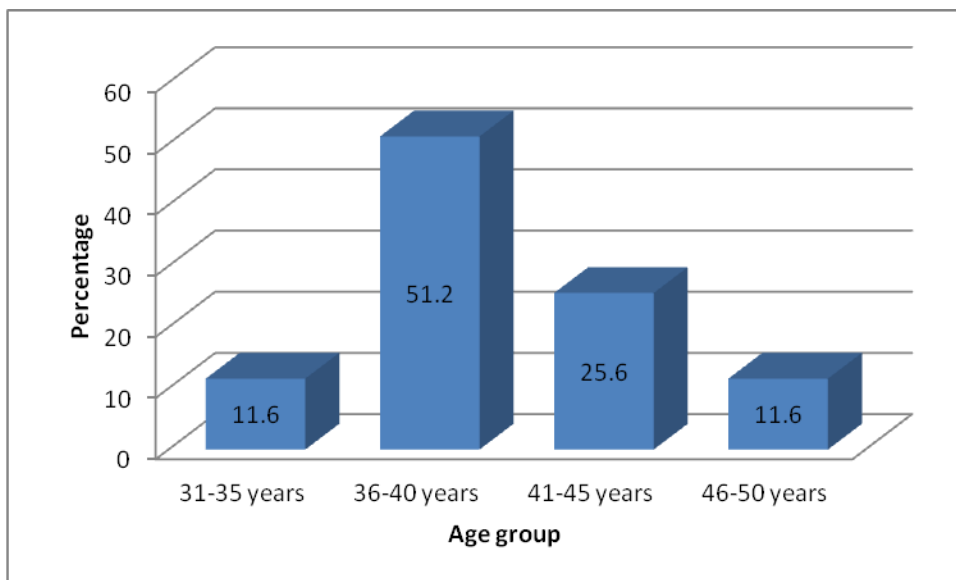


The results as shown in the figure 4.1 show that majority of the respondent were male at 63% while female was 37%. The results indicate that majority of the procurement staffs and managers in public universities in Kenya are men.

4.2.2: Respondents' age group

This area of the study, the researcher sought to know the age category of the respondents. This was expected to guide the researcher on understanding the most active age group in regards to implementation of Public Procurement and Disposal Act, 2005 and Operational Effectiveness among Public Universities in Kenya. Figure 4.2 shows that the study findings.

Figure 4.3: Age group

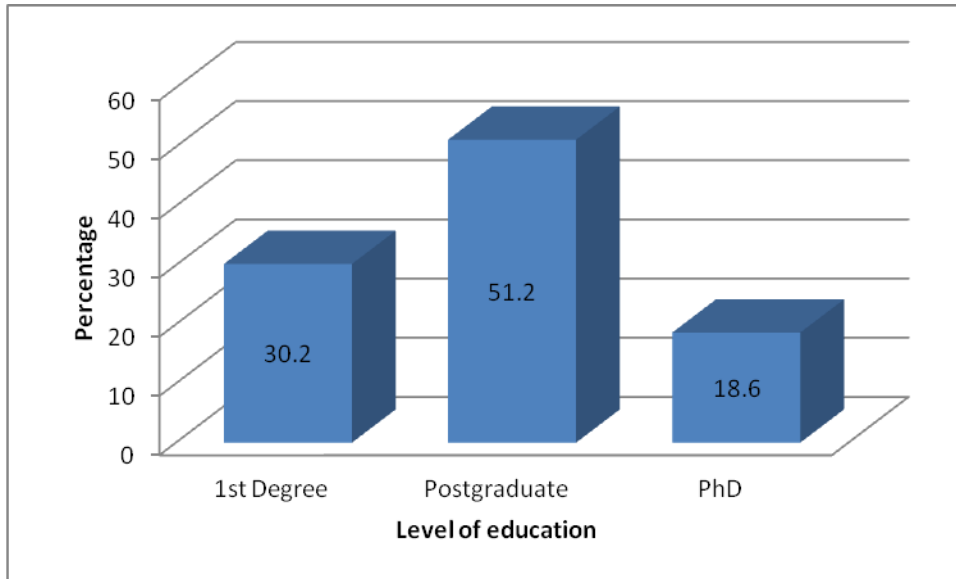


On age category, the research found that 11.6% of respondents were aged between 31-35 years, 51.2% were aged 36-40 years, 25.6% were aged above 41-45 years and the rest of the respondents 11.6% were aged between 46-50 years. From these findings, most of the respondents in public universities in Kenya belong to an age category of 36-40 years. This is the most active age group hence they are actively involved in running of procurement process in public universities, therefore they had rich experiences, could also appreciate the importance of the study.

4.2.3 Level of education

Figure 4.3 indicates the study results of the respondents' level of education. This was to help the researcher understand the level of education of the procurement staffs and managers in public universities in Kenya.

Figure 4.4: Level of education



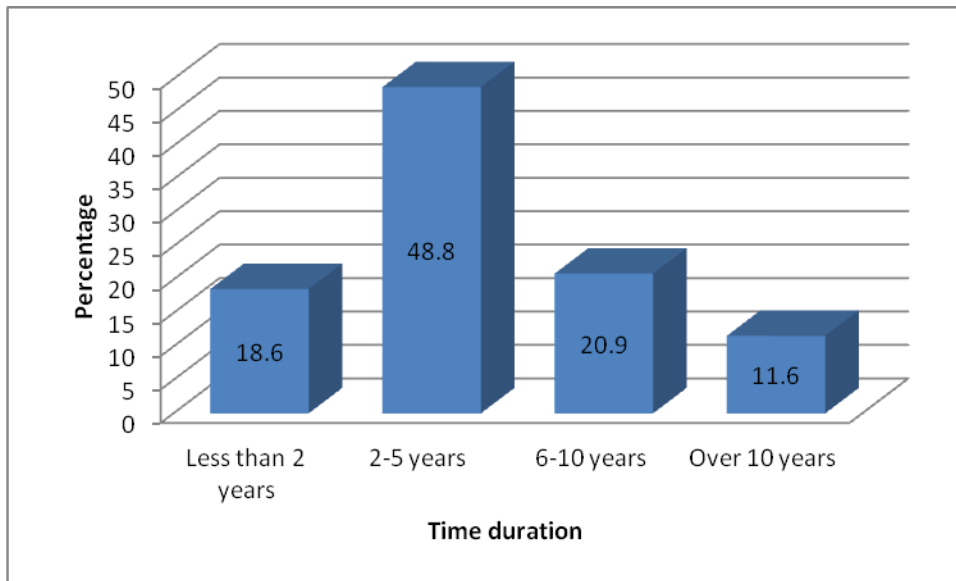
The study findings indicate that 30.2% of the respondents are first degree graduates, 52.3% are postgraduate degree holders and 18.6% had PHDs. All public universities procurement staffs and managers in Kenya in were found to be degree holders therefore, provided information based on the academic knowledge, skills and experience they have gain in procurement partitioning.

4.2.4 Period served in the organization

The respondents were asked to indicate the number of years they had worked in the organization. This was expected to help the researcher know the kind of experience the procurement staffs and managers in public universities in Kenya had and how effective

they would be able to give information about the institution. The results are shown in figure below.

Figure 4.5: Period served in the organization

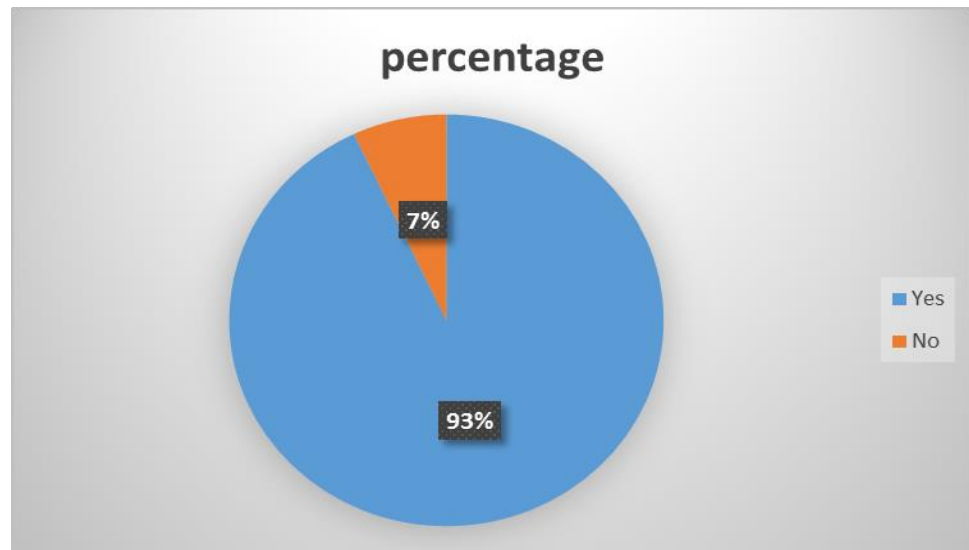


From Figure 4.4, 18.6% of the respondents have been in the institution for less than 2 years, majority of the respondents (48.8%) had worked in the institution between 2 and 5 years, while 20.9% had worked between 6 and 10 years and 11.6% have been in the institution for over 10 years. The findings therefore indicated that majority of the procurement staffs and managers in public universities had worked in the institution for a considerable period of time and thus were familiar about the implementation of Public Procurement and Disposal Act, 2005 and Operational Effectiveness among Public Universities in Kenya.

4.3 Implementation of the Public Procurement and Disposal Act, 2005

Respondents at this part of the study were asked whether they are aware of the Public Procurement and Disposal Act (2005) and its legislation amongst public universities. The figure below shows the research findings.

Figure 4.6: Awareness of the Public Procurement and Disposal Act (2005)



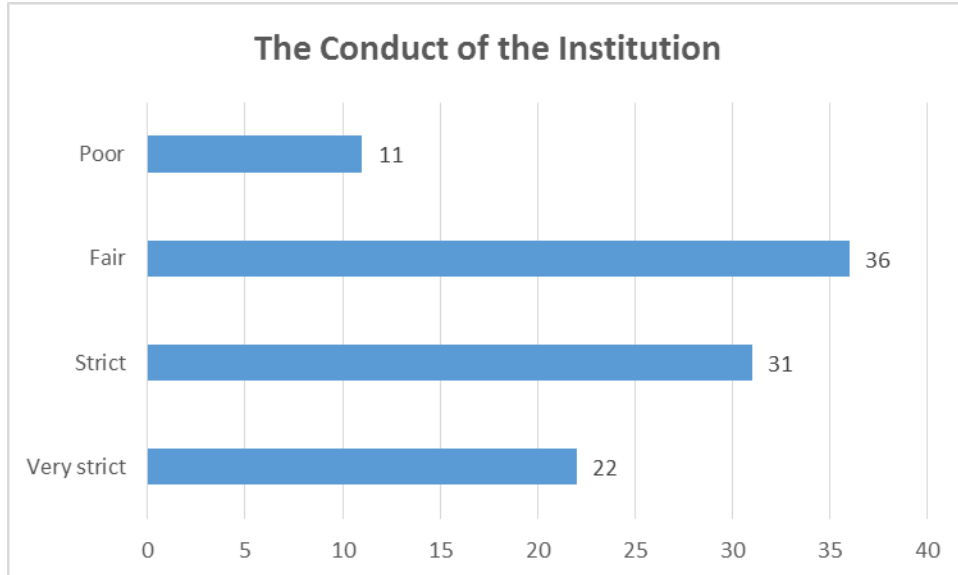
From the research findings, majority of the respondents (93%), agreed that they are aware of the Public Procurement and Disposal Act (2005) and its legislation amongst public universities.

4.4 Procurement Management at the University

4.4.1 Conduct of the Institution

Respondents were asked to rate the conduct of the institution in the implementation the Public Procurement and Disposal Act, 2005 and the regulation, the figure below shows the research findings.

Figure 4.7: Conduct of the Institution



From the research findings, 11% of the respondents argued that the conduct of their various institutions is poor, 36% agreed that it's fair, 31% of the respondents agreed that the institution is quite strict and the rest 22% agreed that the institution conduct is very strict.

4.4.2 Procurement Management

The study in this part aimed at identifying the extent at which Procurement Management at the University are practiced. The factors were rated with the extent of agreement or disagreements i.e. No extent (1), little extent (2), moderate extent (3), large extent (4), and very large extent (5).

Table 4.2: Procurement Management

Statement	Mean	Std Deviation
The university puts professional and job-related responsibilities before personal gain and individual interest in the effort to improve procurement performance	3.8372	0.47097
The university Employees may neither engage in, nor give the appearance of engaging in, dishonest or unethical actions	2.9442	0.58961
There are Transparency & Accountability mechanisms in Combating Corruption at the University	3.0419	0.63356
The University allows value for money to be the core principle underpinning public procurement, incorporating ethical behavior and the ethical use of resources.	2.8628	0.7372
The procurement personnel adheres to the Procurement and Disposal Plans when discharging their duties	3.0465	0.4548
Procurement function plays a strategic role in the university	2.9302	0.53269
The implementation of the Act causes unnecessary delays in the university operations	3.0000	0.58680
The University involves Public Procurement & Oversight Authority (PPOA) to enforce adherence to the Act	3.4419	0.49589
The university has experienced appeals lodged by disgruntle parties on matters of Procurement to Public Procurement Administrative and Review Board (PPARB) to intervene on appeals	3.2558	0.48961
The Procurement department at the university is well equipped in terms of resources to meet their objectives i.e budget allocation , organisation structure, quality of procurement work force and staffing level ratio compared to budget resources	2.9302	0.50357
The University has a well-defined procurement life cycle and all the stakeholders are involved and are aware of the process	2.4419	0.49589
The university has a proper legal framework to support procurement dealings at the university	3.3953	0.65971

The table above represents the descriptive statistics on implementation of Public Procurement and Disposal Act, 2005 and Operational Effectiveness among Public Universities in Kenya. The results show that respondents strongly agreed to the statements that the University puts professional and job-related responsibilities before personal gain and individual interest in the effort to improve procurement performance $m= 3.8372$; The university Employees may neither engage in, nor give the appearance of

engaging in, dishonest or unethical actions m= 2.9442; There are Transparency & Accountability mechanisms in Combating Corruption at the University m= 3.0419; The University allows value for money to be the core principle underpinning public procurement, incorporating ethical behavior and the ethical use of resources m= 2.8628; The procurement personnel adheres to the Procurement and Disposal Plans when discharging their duties m= 3.0465; Procurement function plays a strategic role in the university m= 2.9302; The implementation of the Act causes unnecessary delays in the university operations m= 3.0; The University involves Public Procurement & Oversight Authority (PPOA) to enforce adherence to the Act m= 3.4; The university has experienced appeals lodged by disgruntle parties on matters of Procurement to Public Procurement Administrative and Review Board (PPARB) to intervene on appeals m= 3.25; The Procurement department at the university is well equipped in terms of resources to meet their objectives i.e budget allocation , organisation structure, quality of procurement work force and staffing level ratio compared to budget resources m= 2.9; The University has a well-defined procurement life cycle and all the stakeholders are involved and are aware of the process m= 2.4 and The university has a proper legal framework to support procurement dealings at the university m= 3.3953.

4.4.3 Operational Aspects in the University

Respondents involved in the study were also asked to rate the extent at which the implementation of PPDA, 2005 enhanced the following operational aspects in the university; Use a scale of 1-5 where 1= Great extent, 2= some extent, 3=Moderate extent, 4= Low extent and 5= Not at all. The table below shows the research findings.

Table 4.3: Operational Aspects in the University

Statement	Mean	Std Deviation
The Implementation of PPDA, 2005 has led to enhanced educational and training opportunities at the University	3.1628	0.7372
The Implementation of PPDA, 2005 has led to enhanced Research and Innovation environment at the University	3.0465	0.4548
The Implementation of PPDA, 2005 has led to enhanced service delivery at the University	2.9302	0.3269
The Implementation of PPDA, 2005 has led to enhanced Cost savings in the university operations	3.0000	0.4680

From the descriptive statistics provided in the table above, the statement on the Implementation of PPDA, 2005 has led to enhanced educational and training opportunities at the University $m=3.16$; The Implementation of PPDA, 2005 has led to enhanced Research and Innovation environment at the University $m= 3.0$; The Implementation of PPDA, 2005 has led to enhanced service delivery at the University $m= 2.9302$ and the Implementation of PPDA, 2005 has led to enhanced Cost savings in the university operations $m=3.0$ were all strongly agreed.

4.4.4 Benefits from the Implementation PPDA, 2005

Respondents at this level of the study were asked to rate the extent the university experienced the following benefits from the implementation PPDA, 2005 Using a scale

of 1-5 where 1= Great extent, 2= some extent, 3=Moderate extent, 4= Low extent and 5= Not at all. The table below shows the research findings.

Table 4.4: Benefits from the Implementation PPDA, 2005

Statement	Mean	Std Deviation
Fair, Transparent and competitive selection of bidders	3.4419	.29589
Awarding major contracts to local bidders and promotion of local industry	3.3953	.45971
Achievement of Public confidence and participation in the procurement process	3.0930	.41760
Efficiency and timely acquisition of goods and services	3.3488	.38604

The results show that respondents strongly agreed to the statements that Fair, Transparent and competitive selection of bidders $m=3.4419$; Awarding major contracts to local bidders and promotion of local industry $m= 3.3$; Achievement of Public confidence and participation in the procurement process $m= 3.0$ and efficiency and timely acquisition of goods and services was also agreed with a mean of 3.3.

4.5 Operational Effectiveness among Public Universities in Kenya

Respondents at this level of study were requested to provide information on the following relating to the performance of the university as per Public performance contract results between the years 2009 to 2013:

Table 4.5: Operational Effectiveness among Public Universities in Kenya

	Year of Performance contracting				
	2009	2010	2011	2012	2013
Number of students graduated (Average)	4480	5669	6342	8118	8946
Number of innovations /Research Projects (Mean)	152	174	348	580	960
Amount of Cost Savings in Kenya Shillings (Ksh)	4.1Billion	4.5Billion	5.3Billion	5.5Billion	6.6Billion
Customer Satisfactions level in Percentages (%)	11.9%	15.1%	16.9%	21.6%	23.9%

Source: Universities annual reports 2009-2013

From the statistics in the table 4.5 above, the average number of students graduating each year has been constantly increasing, from a figure of 4480 graduates in the year 2009 to 8946 in the year 2013. The number of innovations and Research Projects increased from 152 in 2009 to 960 in the year 2013. The amount of Cost Savings in Kenya Shillings also increased from 4.1 Billion Ksh to 6.6 Billion. Consequently customer satisfactions level rose from 11.9% to 23.9% by the end of the study period. All these achievements are attributed to implementation of Public Procurement and Disposal Act, 2005 and Operational Effectiveness among Public Universities in Kenya.

4.5.1 Procurement management operations

Respondents at this part of the study were asked to rate the extent at which the university Procurement management operations involve the following factor of the study, using a

Linkert scale of 1-5 Where 1= Great extent, 2= some extent, 3=Moderate extent, 4= Low extent and 5= Not at all. The table below shows the research findings.

Table 4.6: Procurement management operations

Statement	Mean	Std Deviation
The university engages all departments and units concerned in requirement identification and drafting of specifications	2.9	.87097
The university uses approved Procurement plans in the Procurement of goods and services	2.7442	.78961
The Procurement department seeks the approvals before determining the appropriate procurement method	3.4419	.93356
The Procurement department prepare and publish bidding/ proposal Documents in the dailies	3.1628	1.17372
The Procurement department arranges for Pre-bid/ proposal meeting and site visit	3.0465	1.04548
The procurement department organises for Bid/ proposal evaluation by the Evaluation Committee	2.5	1.03269
The University engages only the Tender/Procurement Committee to award Tenders	3.0000	.78680
The University engages in Contract negotiations or Post contract award considerations	3.4419	.79589

From the research findings, respondents strongly agreed that the university engages all departments and units concerned in requirement identification and drafting of specifications $m= 2.9$; The university uses approved Procurement plans in the Procurement of goods and services $m=2.7$; The Procurement department seeks the approvals before determining the appropriate procurement method $m= 3.4$; The Procurement department prepare and publish bidding/ proposal Documents in the dailies $m=3.1$; The Procurement department arranges for Pre-bid/ proposal meeting and site visit $m=3.0$; The procurement department organises for Bid/ proposal evaluation by the Evaluation Committee $m= 2.5$; The University engages only the Tender/Procurement Committee to award Tenders $m=3.0$ and the statement on whether the University engages in Contract negotiations or Post contract award considerations was also strongly agreed with a mean of 3.4419.

4.5.2 Operational Effectiveness in the Procurement Function

Respondents were asked to rate the university operational effectiveness by use of the following aspects in the Procurement function, Use a scale of 1-5 Where 1= Great extent, 2= some extent, 3=Moderate extent, 4= Low extent and 5= Not at all. The table below shows the research findings.

Table 4.7: University Operational Effectiveness

Statement	Mean	Std Deviation
The university strive to employ the current Information Communication and Technology (ICT) systems as a means of communication in the procurement process	2.8372	0.47097
The university strives to building relationships and collaborations with stakeholder in the Procurement process	3.1442	0.38961
The university has a code of ethics in place to guide on the Professionalism and the conduct of Procurement staff	3.0	0.43356
The university subscribe to Professional bodies such as KISM and CIPS to promote professionalism in the Procurement function	2.5628	0.57372
The university has placed a minimum requirement or a higher job group for the position of Procurement managers	3.0465	0.4548
The university has placed strategies to for curbing Procurement fraud and corruptions	2.9302	0.3269
The university administration/management involves Procurement in major decision making especially capital financial decisions	3.2000	0.3868

From the study findings, university operational effectiveness by use of the Procurement function were all strongly agreed. Respondents strongly agreed on the statement that The

University strive to employ the current Information Communication and Technology systems as a means of communication in the procurement process m= 2.8372; The university strives to building relationships and collaborations with stakeholder in the Procurement process m=3.1; The university has a code of ethics in place to guide on the Professionalism and the conduct of Procurement staff m=3.0; The university subscribe to Professional bodies such as KISM and CIPS to promote professionalism in the Procurement function m=2.56; The university has placed a minimum requirement or a higher job group for the position of Procurement managers m=3.0; The university has placed strategies to for curbing Procurement fraud and corruptions m=2.9 and the statement on university administration/management involvement in Procurement in major decision making especially capital financial decisions was also strongly agreed with a mean of 3.200.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of findings as discussed in chapter four and interpretations of the data analysis, conclusions and recommendations based on the findings.

5.2 Summary of findings

Procurement function plays a key support role in the operations of all public universities in Kenya. The process must be well thought through action plans which are not static. With proper monitoring of projects the institution in question is assured of efficient and effective service delivery. The main purpose of the study was to establish implementation of Public Procurement and Disposal Act, 2005 and Operational Effectiveness among Public Universities in Kenya. The study was conducted through descriptive design with a target population of 183 respondents all the public universities in Kenya. Data was collected using a structured questionnaire. From the findings, most of the respondents indicated that the most important factor is operational effectiveness of the PPDA, 2005 followed by contract management. This was because good plans result to effectiveness and efficiency in attaining projected results. However, 7% of the respondents indicated that without staff competency the budget allocation and contract management will be useless. The summary of findings on each variable follows:

The first objective was to determine the extent of implementation of the Public Procurement and Disposal Act, 2005 amongst public universities. The findings revealed that Universities puts professional and job-related responsibilities before personal gain and individual interest in the effort to improve procurement performance. The university Employees may neither engage in, nor give the appearance of engaging in, dishonest or unethical actions, there are Transparency & Accountability mechanisms in Combating Corruption at the University. The University allows value for money to be the core principle underpinning public procurement, incorporating ethical behavior and the ethical use of resources, the procurement personnel adheres to the Procurement and Disposal Plans when discharging their duties, procurement function plays a strategic role in the university.

The implementation of the Act causes unnecessary delays in the university operations, the university involves public procurement & oversight authority (ppoa) to enforce adherence to the act, the university has experienced appeals lodged by disgruntle parties on matters of procurement to Public Procurement Administrative and Review Board (PPARB) to intervene on appeals, the Procurement department at the university is well equipped in terms of resources to meet their objectives i.e budget allocation , organisation structure, quality of procurement work force and staffing level ratio compared to budget resources, the university has a well-defined procurement life cycle and all the stakeholders are involved and are aware of the process and the university has a proper legal framework to support procurement dealings at the university.

From the findings, 87% of the respondents indicated that the Implementation of PPDA, 2005 has led to enhanced educational and training opportunities at the University; The Implementation of PPDA, 2005 has led to enhanced Research and Innovation environment at the University; The Implementation of PPDA, 2005 has led to enhanced service delivery at the University and the Implementation of PPDA, 2005 has led to enhanced Cost savings in the university operations.

Finally, the study found out that the established budget allocations for contracts and contract activity timelines are respected as indicated by all the respondents. 71% of the respondents indicated that contract management influences procurement performance to a great extent and that contract management entails planning, organizing, control and directing payments. 42 % of the respondents indicated that there were delays in payments to suppliers and that this affected greatly on their operational effectiveness. 40% indicated that there was lack of proper controls in management of contracts and that the user was left alone to manage and monitor projects. The study also found out that 54% of the respondents were not aware of any project progress reports filed with management.

The study further reveals that contract management entails planning, organizing, control and directing payments and when a partial assignment of the contract is completed means contract management affects procurement performance. The respondents added that to avoid delays in supply and provision of services, timelines have to be respected. Work plans and contract periods have to be respected since most projects would have overruns.

5.3 Conclusion

The study concludes that Public Procurement and Disposal Act, 2005 in resource allocation, staff competency and contract management positively affected procurement performance at the institutions. The purpose of operational effectiveness is to be able to utilize the available resources to achieve the overall objective.

Procurement management explains about 27% of the variations in procurement performance while resource allocation and contract management explain 17%, 20% and 23% respectively variations in procurement performance of PPDA, 2005. The study further concludes that preparation of annual procurement plans, frequency of formulation of procurement plans and the evaluation of the same contributes to the institutions' procurement performance. The most important factor was found to be procurement planning followed by contract management as pointed out by most of the respondents. This was because good plans result to effectiveness and efficiency in attaining projected results. Mamiro (2010) agrees with these findings and concludes that one of the major setbacks in public procurement is poor planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of the skills of staff responsible for procurement. The study found out that there was poor contract management at the institutions characterized by delays in payments to suppliers which hampers greatly on their service delivery, lack of proper controls in management of contracts where the user was left alone to manage and monitor own projects without involvement of procurement function. Similarly, the study found out that there were no project progress reports filed with management.

5.4 Recommendations

This study established that planning positively affects procurement performance to a large extent. The study recommends that plans are not static and that preparation of annual procurement plans should be participatory, frequently reviewed so as to improve on the institution's procurement performance. Equally, management of the procurement process should be administered by qualified, competent and experienced procurement professionals. This will not only help maintain good procurement standards but also will help achieve high levels of efficiency and effectiveness. In addition, to avoid delays in supply and provision of services, timelines have to be respected since most projects would have overruns. For the success of the contracts under execution, the management of public universities in Kenya should ensure that proper mechanisms for project monitoring and evaluation are put in place with the input of procurement personnel and the user department with progress reports thereon escalated for necessary action.

The government needs to develop effective legislations in the state corporations by providing political and social economic changes in the efforts to give priority to the public for the sector to be effective. There is need for initiatives to be taken for us to create a sustained and stable working and living environment for the public to be able to adjust to foreign technologies needed in the provision of service delivery.

5.5 Limitations of the study

The study cannot be used in general since it only covers public universities while in Kenya private and many other types of institutions are widely practiced and there could be other factors limiting performance in the sector. A recommendation is for studies to be done on other types of institutions in country.

Due to time limitations the study was not able to identify all the policies in place in regards to implementation of Public Procurement and Disposal Act, 2005 and Operational Effectiveness among Public Universities in Kenya. The bias in this study is on public. Since the sector deals with procurement effectiveness there could be some limiting policies that needs to be identified and can help the public as well as the government in coming up with effective policies to be put in place to increase performance.

5.6 Suggestions for further studies

Finally further studies should focus on the challenges and constraints affecting Public Universities in Kenya that result to not participating competitively in implementing Public Procurement and Disposal Act, 2005 and Operational Effectiveness. This study will help in exploring the possibility of more rapid growth in demand by the public to operational effectiveness in the procurement function of public entities.

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APPENDICES

APPENDIX 1: INTRODUCTION LETTER

University of Nairobi,
School of Business,
P.O. Box 30197-00100,
Nairobi.

Dear respondent,

I am a postgraduate student at the University of Nairobi, School of Business. I am conducting a research on the “Implementation of Public Procurement and Disposal Act, 2005 And Operational Effectiveness among Public Universities in Kenya”. This is in partial fulfillment of the requirements for the Master of Business Administration Degree. Kindly fill the attached questionnaire to the best of your knowledge. The information will be used purely for academic purposes and will be treated with strict confidence. A copy of the final report will be availed to you on request.

Your assistance will be highly appreciated. Thank you.

Yours faithfully,

John-David Odhiambo, MCIPS

APPENDIX II: QUESTIONNAIRE

SECTION A: Demographic information

Note: For each of the questions, tick against your response or write your response in the blank space provided.

1. Gender of the respondent

Female ()

Male ()

2. Age range in years

18-25 years () 26-30 years () 31-35 years () 36-40 years ()

41-45 years () 46-50 years () over 50 years ()

3. Level of education

Secondary () Diploma () 1st Degree ()

Postgraduate () PhD ()

4. Period you have served in this organization

Less than 2 years () 2-5 years () 6-10 years () Over 10 years ()

SECTION B: IMPLEMENTATION OF THE PUBLIC PROCUREMENT AND DISPOSAL ACT, 2005

1. Are you aware of the Public Procurement and Disposal Act (2005) and its legislation?

Yes ()

No ()

2. When did your institution start to implement the Public Procurement and Disposal Act ,2005 and its legislation

- (a) 2006 ()
- (b) 2007 ()
- (c) 2008 ()
- (d) 2009 ()
- (e) 2010 ()
- (f) 2011 ()
- (g) I don't know ()

3. In your own view how would you rate the institution in terms of implementing the Public Procurement and Disposal Act, 2005 and its legislation?

- (a) Very good ()
- (b) Good ()
- (c) Fair ()
- (d) Poor ()
- (e) Very poor ()
- (f) I don't know ()

4. How do you rate the conduct of the institution in the implementation the Public Procurement and Disposal Act, 2005 and the regulation?

- a) Very strict b) Strict c) Fair d) Poor

5. To what extent do you agree with the following statements relating to the Procurement Management at the University? Use a scale of 1-4 where 1= strongly agree, 2= Agree, 3= disagree and 4= strongly disagree.

		1	2	3	4
a)	The university puts professional and job-related responsibilities before personal gain and individual interest in the effort to improve procurement performance				
b)	The university Employees may neither engage in, nor give the appearance of engaging in, dishonest or unethical actions				
c)	There are Transparency & Accountability mechanisms in Combating Corruption at the University				
d)	The University allows value for money to be the core principle underpinning public procurement, incorporating ethical behavior and the ethical use of resources.				
e)	The procurement personnel adheres to the Procurement and Disposal Plans when discharging their duties				
f)	Procurement function plays a strategic role in the university				
g)	The implementation of the Act causes unnecessary delays in the university operations				
h)	The University involves Public Procurement & Oversight Authority (PPOA) to enforce adherence to the Act				
i)	The university has experienced appeals lodged by disgruntle parties on matters of Procurement to Public Procurement Administrative and				

	Review Board (PPARB) to intervene on appeals				
j)	The Procurement department at the university is well equipped in terms of resources to meet their objectives i.e budget allocation , organisation structure, quality of procurement work force and staffing level ratio compared to budget resources				
k)	The University has a well defined procurement life cycle and all the stakeholders are involved and are aware of the process				
l)	The university has a proper legal framework to support procurement dealings at the university				

6. To what extent has the implementation of PPDA, 2005 enhanced the following operational aspects in the university; Use a scale of 1-5 where 1= Great extent, 2= some extent, 3=Moderate extent, 4= Low extent and 5= Not at all.

		1	2	3	4	5
a)	The Implementation of PPDA, 2005 has led to enhanced educational and training opportunities at the University					
b)	The Implementation of PPDA, 2005 has led to enhanced Research and Innovation environment at the University					
c)	The Implementation of PPDA, 2005 has led to enhanced service delivery at the University					
d)	The Implementation of PPDA, 2005 has led to enhanced Cost savings in the university operations					

7. To what extent has the university experienced the following benefits from the implementation PPDA, 2005 Use a scale of 1-5 where 1= Great extent, 2= some extent, 3=Moderate extent, 4= Low extent and 5= Not at all.

		1	2	3	4	5
a)	Fair, Transparent and competitive selection of bidders					
b)	Awarding major contracts to local bidders and promotion of local industry					
c)	Achievement of Public confidence and participation in the procurement process					
d)	Efficiency and timely acquisition of goods and services					

SECTION C: OPERATIONAL EFFECTIVENESS AMONG PUBLIC UNIVERSITIES IN KENYA.

5 Please provide information on the following relating to the performance of the university as per Public performance contract results between the year 2009 to 2013 :

		Year of Performance contracting				
		2009	2010	2011	2012	2013
a)	Number of students graduated (No)					
b)	Number of Innovations/Research Projects (No)					
c)	Amount of Cost Savings in Kenya Shillings (Ksh)					
d)	Customer Satisfactions level in Percentages (%)					

6 To what extent do the university Procurement management operations involve the following? Use a scale of 1-5 Where 1= Great extent, 2= some extent, 3=Moderate extent, 4= Low extent and 5= Not at all.

		1	2	3	4	5
a)	The university engages all departments and units concerned in requirement identification and drafting of specifications					
b)	The university uses approved Procurement plans in the					

	Procurement of goods and services					
c)	The Procurement department seeks the approvals before determining the appropriate procurement method					
d)	The Procurement department prepare and publish bidding/ proposal Documents in the dailies					
e)	The Procurement department arranges for Pre-bid/ proposal meeting and site visit					
f)	The procurement department organises for Bid/ proposal evaluation by the Evaluation Committee					
g)	The University engages only the Tender/Procurement Committee to award Tenders					
h)	The University engages in Contract negotiations or Post contract award considerations					

7 How would you rate the university operational effectiveness by use of the following aspects in the Procurement function? Use a scale of 1-5 Where 1= Great extent, 2= some extent, 3=Moderate extent, 4= Low extent and 5= Not at all.

		1	2	3	4	5
a)	The university strive to employ the current Information Communication and Technology (ICT) systems as a means of communication in the procurement process					
b)	The university strives to building relationships and					

	collaborations with stakeholder in the Procurement process					
c)	The university has a code of ethics in place to guide on the Professionalism and the conduct of Procurement staff					
d)	The university subscribe to Professional bodies such as KISM and CIPS to promote professionalism in the Procurement function					
e)	The university has placed a minimum requirement or a higher job group for the position of Procurement managers					
f)	The university has placed strategies to for curbing Procurement fraud and corruptions					
g)	The university administration/management involves Procurement in major decision making especially capital financial decisions					