

**PROJECT PROCUREMENT PRACTICES AND OPERATIONAL
PERFORMANCE OF DONOR FUNDED PROJECTS AT UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT IN KENYA**

BY

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DECLARATION

The project is my original work and has not been submitted for another degree in any other university.

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DEDICATION

This project is dedicated to my family; my twin sister Emma Wanja Kirigia, my parents George and Alice Kirigia, my fiance David Mwachuri, who have been very supportive and encouraging throughout this study. Thank you very much and God bless you.

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I wish to thank the Staff of USAID in Kenya, who gave me the valuable data for this study. Above all, Glory and Honor be to God Almighty, without Him, all these would not have been possible.

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ABSTRACT

Competition is expanding in a high rate thus characterizing the business environment both locally and globally. Performance is thus improved by Supply Chain Management (SCM) as a tout. Managers should ensure that its supply chain is managed effectively, ensure that their companies produce products that are of good quality, ensure that waste is decreased and also that market is responded to rapidly. Operational performance of an organization is determined by how effectively the managers make use of the SCM and purchasing practices. The objectives of the study were to establish the projects procurement practices commonly used by Donor Funded Projects at USAID Kenya and to determine the relationship between project procurement practices and operational performance of donor Funded Projects at USAID Kenya. The study adopted a case study in order to understand the occurrences. The target population for this study were the directors or the Programme Managers and procurement staff at United States Agency for International Development, Kenya as they had a wider view of the programmes and the NGO at large thus they were in a better position to fill the questionnaires. Primary data was used in this study and it was collected by use of questionnaires. Statistical package for social sciences (SPSS 23.0) was used to analyze data. The study found that the extent respondents department had established a governing supply chain council was to a great extent; the extent respondents had adopted properly aligned and staff strategies in the organization was to a great extent and respondents had adopted putting under the supply chain functions to a great extent. The study concluded that United States agency for International Development in Kenya had established a governing supply chain council, had adopted properly aligned and staff strategies in the organization and had adopted putting under the supply chain functions to a great extent and the study also concluded that a governing supply chain council, aligning and staffing the supply chain organizations, contracts under the supply chain function and appropriate levels of control and minimizing risks significantly affected operational performance of donor funded projects at United States Agency for International Development in Kenya.

CHAPTER ONE: INTRODUCTION

1.1 Background

Competition is expanding in a high rate thus characterizing the business environment both locally and globally (Kirungu, 2011). Performance is thus improved by Supply Chain Management (SCM) as a tout (Giunipero et al., 2013). Managers should ensure that its supply chain is managed effectively, ensure that their companies produce products that are of good quality, ensure that waste is decreased and also that market is responded to rapidly. Operational performance of an organization is determined by how effectively the managers make use of the SCM and purchasing practices (Carter and Narasimhan, 2016). Inventories are decreased by companies, improve their customer services and costs are controlled through well organized and executed process of procurement Chong and Ooi, 2014). It has also been found that market share is improved by the process of procurement (Li et al., 2012).

Donor organizations and development agencies view projects as important vehicles to achieving their stipulated objectives and targets. A project becomes successful when it works on the schedule set, the budget done planned, it achieves its deliverables and is it is accepted in the market that the organization had created according to Antill (2014). Organizations set unique characteristics on their projects to differentiate them from other organizations' projects (Boyce and Haddad (2011). The unique features are to ensure that the projects run for the assigned time as per the set date. The objectives set to be achieved are achieved through implementation of effective measures by the NGO's. The NGO Coordination Board licenses and regulates NGOs. The government supports the NGO s so as to ensure that the projects are ran smoothly and that they are successful. Despite the

efforts, most of the projects fail. But implementation and use of appropriate procurement practices play a great role in the success of the projects (Kirugu, 2011).

1.1.1 Project Procurement Practices

The procurement procedures have been heavily criticized of being bureaucratic and complex (Meredith & Mantel, 2012). This has led to poor perception amongst potential suppliers. The negative perception has in turn led poor response from experienced and qualified suppliers whenever the tenders are floated by public entities. Moreover, although the PPDA that was characterized by corruption and kickbacks hence some suppliers are still reluctant to bid for the tenders. This negative perception therefore negatively impacts on these organizations.

Project procurement practices is usually divided into ten major activities including: establishing operational performance of an organization is determined by how effectively the managers make use of the SCM and purchasing practices (Carter and Narasimhan, 2016). Inventories are decreased by companies, improve their customer services and costs are controlled through well organized and executed process of procurement Chong and Ooi, 2014). It has also been found that market share is improved by the process of procurement (Githaiga, 2014).

The projects should have an effective supply chain function that ensuring that monitoring a control is ran effectively as this ensures that the projects are successful. Parties need to practice some factors before they engage in the process of negotiation (Gadde, 2009). The cost, value the emergency need, the suppliers intended and the markets are the factors that determine the choice of a procurement method (CIPS and NIGP, 2012).

1.1.2 Operational Performance

Operational performance is the extent to which the organization is able to meet its own needs and the needs of its stakeholders for survival (Griffin, 2013). Operational performance is made up of various dimensions that characterize it. They are cost/productivity, time/speed, operations flexibility and quality as explained by (De Toni & Tonchia, 2011).

To achieve operational performance, firms must consider all resources at its disposal for instance motivation among employees is emphasized through considering them as assets. Operational performance measures include; - customary separate performance measures such as; performance to schedule, preventive maintenance, productivity measures, lead-time measures, quality measures, inventory measures and utilization (Birech, 2011).

The main objectives of performance measurement are to increase efficiency and effectiveness hence improving the ability of the firm to deliver goods or services and retain customer satisfaction (Kaplan & Norton, 2011). According to Gompers, Ishii and Metrick (2013), operational performance is important to an organization because an organization's ability to perform financially is critical thus must be monitored both in the short and in the long run. Performance is a concept that is context-based and does not have a single means of measurement. Due to this, there is no common measure of financial performance. A thorough valuation of a firm's performance should consider diverse procedures.

1.1.3 Donor Funded Projects at United States Agency for International Development, Kenya

Donor funding is the provision of direct or indirect aid through finances or other means by external sources in buying of goods and services at a lower cost than the initial costs (Grepin and Jack, 2013). The international development community considers donor funded projects as a top priority. Effectiveness must be improved by the donor agencies who work through the global Sustainable Development Goals (SDGs) as per Acharya *et al.*, (2013). They should also work towards eradicating poverty (Syongo, 2014).

Human resources play a vital role both technically and managerial to ensure that donor projects are effective and successful in their implementation. Another important factor is supportive infrastructure which is appropriate. The human resources need training in practices of projects, management of foreign aid, budgets and accounts (Arndt, 2010). The projects may fail due to lack of understanding of the protocols of the donor. Their effectiveness should also be encouraged through support from all stakeholders and the government.

In Kenya, United States Agency for International Development (USAID) has helped many youths to acquire education by offering scholarship programmes for the needy children mainly from poverty stricken communities. Many of the beneficiaries have been able to realize their life time dreams through these programmes that are offered from elementary level to higher education through its partnership in the *Wings to fly* program. Through partnership of USAID, UKAID, Master Card, and Equity Bank, they are able to provide school scholarships, mentoring, networking and orphans and vulnerable children's internships, (USAID, 2012). In Kenya, about 3,000 students are given support by USAID's

through their \$17.5 million contribution. Full scholarships have been provided to about 10,000 young Kenyans to see them through their secondary school (USEA, 2010). Health care access has been made easy by USAID, through its AIDS of Population and Health Integrated Assistance program. They provide health services closer to the people through building mobile clinics and community health workers.

They provide screenings, treatment, antiretroviral therapy and counseling and testing. Protection of HIV people and nutrition lessons are also provided by the NGO. About 125,000 Kenyans who are HIV positive have advantaged through this program (USAID, 2013). The 2010 Kenyan constitution envisioned that the *Yes Youth Can* program helps most of the Kenyan youths as per USAID/Kenya's. The youths have meetings where they organize programs that create awareness. The programs not only help them but also the women and the society in general. Most of the young fathers have changed and improved their way of life. The youths have engaged in farming that they sell in their neighboring markets. They have also engaged in tailoring jobs and tomato farming among others.

They have also involved themselves and women in commercial farming (USAID, 2013). The organizations they run have also helped in voicing of their affairs. Over time, donor funding and its administration has really changed (Fengler and Kharas, 2011). The funds were mainly channeled through governments and a small part through NGOs; today the NGOs get more direct funding especially in situations where the government is seen as corrupt and some donors think that NGOs are likely to better understand people's needs. Grepin and Jack (2013) noted that most donor aid comes with strings attached thus compromising the operations especially on the implementers side.

Syongo (2014) noted that there was no donor who would work with Kenya when all they were doing was politics thus they should stop for a while and work. Thus attract donor funding, by not concentrating much on politics, which they did not want to rely on forever but was crucial then as they too concentrate on other development programmes to change that. Donor funding on non-communicable diseases and HIV/AIDS has continued to dwindle over time as noted by Macharia (2014). This has forced the government to allocate more funds towards managing the scourge. He further noted that many Kenyans are now seeking treatment from abroad amounting to more than 10 billion shillings thus they were investing on capacity to prevent that trend. The government had to also increase funding to fight the new cases. The US President's Emergency Plan for Aids Relief (PEPFAR) however said that they would remain strong and committed to ensuring that both the national and the county governments get the assistance they need.

1.2 Research Problem

Procurement is deemed to be part of principles of management of plans that focus on effective achievement of performance efficient in every institution (Keith et. al, 2016). Many of the third world countries are challenged by dynamic procurement revolution and this gives them difficulty on the functioning of procurement and performance together with the inside and outside dealings (Wambui, 2013). The procurement practices are fragile and predisposed to regular discontinuities (Jeppesen, 2010).

A study found that completion of the projects was also affected to a great extent by late release of funds, inadequate funds and unpredictable transfers. A study was done by Muhammad et al (2013) on how implementation of Pakistan projects were affected by procurement practices. He did the study by using two stages which were; archival analysis

which was done on the government and the organizations' documents and literature. The second stage used archival analysis on the case studies. Operational performance. Regardless of the effort by the private and public institutions in Kenya to improve performance of the procurement function, poor implementation and non-compliance to procurement regulations still pose as key challenges (Hussein & Shale, 2014). His choices that are required in a particular program, the procurement choices and its implementation are important factors that were considered in Pakistan. USAID will carry out the next study in Kenya. There are various policies and statutes that guide projects procurement which is a complex function. The procurement staff, agency and all stakeholders are provided for a policy manual that is comprehensive that comprises of the rules and procedures so that they can understanding the rules required. The programs are successful thorough collective policies and guidelines supported by both government and the donors in Kenya Civil Aviation Authority (Barasa, 2014). ODI (2015) mentions that NGOs and Donors in spite of recording success and life changing stories, they are still facing a myriad of challenges in undertaking projects which are life changing due to poor project procurement practices. Locally, Wanjau & Omwenga, (2015) conducted a study on factors influencing implementation of donor funded projects in government ministries. The study used descriptive research design and the target population comprised 50 officers working in departments that deal with donor funded projects in the eight state corporations and two State departments of the Ministry of Transport and Infrastructure. From the findings it was established that due to insufficient skills from the implementing unit, delay in delivery of materials, bulky paper work, delay in disbursement of project funds and long tendering process. On the other hand, a study on the effect of public procurement practices on Public

Sector Financial Management in Kenya, found that procurement planning, and commitment control, procurement documentation and procurement audit are very important aspects in PFM in Kenya (Sindani 2014). Similarly, the factors influencing procurement practices in public secondary schools in Mathioya were investigated, and the study found that the public secondary schools in Mathioya district have to a reasonable extent complied with the Ministry of Education policies regarding procurement (Wachira, 2013). Studies have been done on the concept of project procurement practices and project performance both locally and internationally, but little had been done on project procurement practices and operational performance of donor funded projects at USAID: This study thus seeks to address the question: How does procurement practices affect operational performance of donor funded project at USAID Kenya?

1.3 Research Objectives:

The study was guided by the following specific objectives: -

- i. To establish the projects procurement practices commonly used by Donor Funded Projects at USAID Kenya
- ii. To determine the relationship between project procurement practices and operational performance of donor Funded Projects at USAID Kenya

1.4 Value of the Study

This research will add to the existing knowledge of Non-Governmental Organizations” compliance with regard to the donor funding requirements. There are varying trends in donor funding in the country in the past decade or so. Previously, many reasons have been put across as contributing factors but not much has been specifically linked with the

procurement processes in the NGOs. Generally, the below stated institutions will benefit: To begin with, one of the main beneficiaries includes NGOs. Many shifts have taken place in terms of policies, economical ability of donors as well as evaluation of existing projects thus shift in donor funding.

This research will contribute to the existing knowledge which is usually a guide to future research. It is through already researched work that gaps to be filled are identified thus promoting the culture of research in our country.

Lastly, the government is also likely to benefit. NGOs contribute greatly to development in the country especially economic, social, health as well as infrastructure. They provide employment to many Kenyans as well as alleviation of poverty especially in the marginalized communities and slums.

This generally improves the livelihoods of many Kenyans, contributes to the GDP of the country and helps the government to concentrate on other areas of development which have not been catered for by the NGOs. Thus donor funding is of key interest to the government and especially in achievement of Vision 2030.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Literature review is a very significant and binding chapter for any research project. It brings out the importance of carrying out any given research in a given field through analysis of already existing knowledge from previous research in the field. This helps to identify the existing gap in the knowledge. The literature used in this chapter is mainly from the books and the e-journals which are a reliable source of information, thus the reliability and validity of the literature. This chapter has been classified according to the objectives of the study and a summary showing the major findings and the gap is included at the end. A framework of the relationships between the various objectives of the study is also shown later in the chapter.

2.2 Theoretical Foundation

This research is theoretically embedded on the Principal-Agency Theory. The Principal-Agency Theory is the foundation model employed to ascertain the formation of this study. The economists founded this model to confront the issue related to principal and agents, where agents are persuaded to carry out some task on behalf of the principal (Health & Norman, 2004). The Principal-Agency Theory (PAT) concerns with the understanding that is put in place for an individual or entity (agent) to act in another's interest (principal). The postulations and proposition of PAT fit obviously with the issues concerning procurement and operational performance. For instance, the USAID Kenya which is in this case the principal/shareholder chooses management (agents) to act on its behalf. For that reason, the procurement management is given power to make decisions on behalf of the USAID

Kenya. In the process of managing supplier quality, buyers in agency relations are likely to be faced by possible risks. By nature, it is the expectation of buyers to get good and improved quality goods and services from suppliers, however, suppliers might be hesitant to spend considerably in quality. Zu and Kaynak (2012) observed that the difference between buyers and suppliers always result in the two parties concerning themselves only with their self-interests. PAT establishes the way procurement managers carry out the procurement practices on behalf of NGOs. If there is existence of poor relationship between the principle and agent, then this could affect the relationship between the suppliers and the institutions. This study therefore will use this model to determine the procurement practices' role and the operational performance of USAID Kenya.

2.3 Project Procurement Practices

2.3.1 Establish a governing supply chain council

There are various policies and statutes that guide projects procurement which is a complex function. The procurement staff, agency and all stakeholders are provided for a policy manual that is comprehensive that comprises of the rules and procedures so that they can understanding the rules required (Al-Tmeemy et al, 2011). If this manual is unavailable, it becomes likely for inconsistency to be experienced in the procurement work. This then shows that every organization needs to have a well complied procurement policy (CIPS and NIGP, 2012).

2.3.2 Properly align and staff the supply chain organization

When an organization or an individual identifies or obtains a good or service, Logistics Cluster (2011) terms that process as procurement. This process involves the sourcing

process, purchasing, identification of suppliers, delivery and use of the products. Another definition by UNDP (2015) is that when one acquires goods, services and works is what he calls procurement. This process involves the process of identification all through to the use of the specific products. Projects are formed by almost 80% of procurement's amount. This then recommends that most of the organizations should ensure that procurement is well managed as it represents the organizations achievement power of optimum value (Logistics, 2011). In the process of supply chain, fulfillment of needs by customers through the products or services if offered by procurement as it serves as the pivot. The three levels that procurement serves are; the customer: ensuring that emergencies are responded to and programs, stocks preposition for the customers and the needs of programs (Mensah, 2008).

According to Aho et., al (2006), the incompetency of the purchasing professionals who award contracts without following due process has resulted in claims for damages from potential suppliers leading to loss of taxpayers' money and poor-quality work. Therefore, incompetency negatively affects the procurement in the public sector enterprises.

2.3.3 Put contracts under the supply chain function

Brown and Hyer (2010) notes that humanitarian procurement has three important principles which includes transparency, accountability and efficiency and cost effectiveness. This helps considering that the resources are donor funded, a good relationship with suppliers is important and efficiency has a direct impact on operation and beneficiaries. A contract may obligate a contracting party before receiving anything from the other side or even after calling the deal off; for example, after the supplier acknowledges the receipt of the purchase order, he is liable to deliver materials based on the delivery terms agreed. The same applies

to all parties after contract closures in confidentiality issues where the parties agree not to disclose confidential matters for number of years after the contract closure.

Contract management is a systematic practice for creation, execution, compliance, and analysis of business contracts in order to maximize operational performance, reduce costs, and minimize risks (Aberdeen Group, 2006). A procurement contract is a legally binding agreement between a firm (the buyer) and a supplier to fulfill a set of agreed terms and conditions. Contract management involves building of good working relationship between the parties which continues through the contract life time. The process of registration includes; finding out the organization's financial stand, supplying capacities, its logistical abilities and premise checks (NGO Council, 2011). The USAID requires the company to adhere to all its rules and regulations and comply with its needs and specifications. They also procure specific products. It was also indicated by Oanda and Ojwang (2008) that procurement systems ran by donors and NGO's tend to be over-bureaucratized although they are said to also work well. The procurement procedures have been heavily criticized of being bureaucratic and complex (Mukasa, 2010). This has led to poor perception amongst potential suppliers. The negative perception has in turn led poor response from experienced and qualified suppliers whenever the tenders are floated by public entities. Moreover, although the PPDA that was characterized by corruption and kickbacks hence some suppliers are still reluctant to bid for the tenders. This negative perception therefore negatively impacts on these organizations.

2.3.4 Establish appropriate levels of control and minimize risk

When an organization or an individual identifies or obtains a good or service, Logistics Cluster (2011) terms that process as procurement. This process involves the sourcing

process, purchasing, identification of suppliers, delivery and use of the products. Another definition by UNDP (2015) is that when one acquires goods, services and works is what he calls procurement. This process involves the process of identification all through to the use of the specific products. Projects are formed by almost 80% of procurement's amount. This then recommends that most of the organizations should ensure that procurement is well managed as it represents the organizations achievement power of optimum value (Logistics, 2011). In the process of supply chain, fulfillment of needs by customers through the products or services if offered by procurement as it serves as the pivot. The three levels that procurement serves are; the customer: ensuring that emergencies are responded to and programs, stocks preposition for the customers and the needs of programs (Mensah, 2008).

There are various policies and statutes that guide projects procurement which is a complex function. The procurement staff, agency and all stakeholders are provided for a policy manual that is comprehensive that comprises of the rules and procedures so that they can understanding the rules required (Al-Tmeemy et al, 2011). If this manual is unavailable, it becomes likely for inconsistency to be experienced in the procurement work. This leads to frustration and this then affects the production and distribution of good and services to the customers. This then shows that every organization needs to have a well complied procurement policy (CIPS and NIGP, 2012).

Brown and Hyer (2010) notes that humanitarian procurement has three important principles which includes transparency, accountability and efficiency and cost effectiveness. This helps considering that the resources are donor funded, a good relationship with suppliers is important and efficiency has a direct impact on operation and beneficiaries. Brown and Hyer (2010) further noted procurement's main goal is to ensure that all its activities are

effectively ran so as to ensure that good quality is procured to all goods and services, the goods are generated from the right sources, the goods are produced and distributed at the right costs and that they are delivered to the customers at the right time, in the right amounts and to the right destination (Togbolo, 2015).

2.4 Operational Performance

Performance can be defined as the ability of acquiring good results in a job well done or achievement of a specific goal or objective set. It generally refers to when an individual or a company attains its set goals and objectives. In an organization, when the management through strategic leadership acquires its mission through its goals and targets; then its performance is well achieved. It is therefore important to note that the management of an organization is responsible for its long term attainment of success through ensuring that sustainability is met by attaining its goals and objectives. Work done effectively and efficiently leads to good performance (Leban & Euske, 2006).

Every approach to assess performance must use indicators of performance. Performance can be measured through key performance indicators. These indicators that ensure performance are what organizations use to determine their level of success so that they can ensure that long term goals are achieved. These indicators therefore are used to measure the future success or failure of the organization (Cummings & Worley, 2009). The indicators should work in line with the mission and vision of the organization so as to ensure that performance is attained and they can sometimes be quantified or influenced if need be. The indicators should comprise of human and logistical capacity, satisfaction etc. in NGO's respect (Ayatse, 2005).

An organization's performance is determined by three broad areas. They involve environment, motivation and capacity which connect together to ensure that the organizations performance is attained. Determination is achieved through these three areas. Most of the organization's performance is measured through its total market share and its ability to satisfy its customers which are quantitative and qualitative measures (Marangu, 2012). The achievement of goals and objectives, stakeholder's activities, its effectiveness and efficiency, the organizations economic and financial viability is what affects its operational performance (Pearce and Robinson, 2005). NGO's responsibility to ensure that projects and programs are implemented is vital as it helps those countries that do not have the financial capacity to ensure that good quality of products and services is ensured (Carroll, 2009). The NGO efforts have been recognized globally especially in the developing countries where the countries have been forced to withdraw the government services and thus the NGOs have filled the gaps and their efforts have been significant according to the World Bank and other donors (Lewis and Kanji, 2009).

The provision of water and sanitation, education and training, health, agriculture and food security, and energy have been left for the NGOs and they are playing a great role (USAID, 2009). They have ensured that programs in development of communities, humanitarian relief and emergency assistance, natural resources and conservation projects among other programs have been successful through their efforts (Eckman, 1993).

2.5 Empirical Review on Project Procurement Practices and Operational Performance

The process of tracking on a project's success involves identification of variances that are related to the original plan According to Macharia (2014). Before undertaking the process,

the team should come together and ensure that they agree on the appropriate key performance indicators (KPIs) to be used in the project. The processes, decisions, and actions that are used in response to project variances is what Macharia (2014) defines as project control. This then shows that project control involves the process of how the project should be progressed. The success of a project is then determined by control according to Chandra (2008) as it involves the progress of the whole project which then determines whether it's going to be successful or fail.

The process of tracking on a project's success involves identification of variances that are related to the original plan According to Macharia (2014). Before undertaking the process, the team should come together and ensure that they agree on the appropriate key performance indicators (KPIs) to be used in the project. The processes, decisions, and actions that are used in response to project variances is what Macharia (2014) defines as project control.

This then shows that project control involves the process of how the project should be progressed. The success of a project is then determined by control according to Chandra (2008) as it involves the progress of the whole project which then determines whether it's going to be successful or fail. According to Gadde and Hakansson (2011) purchasing from vendors accounts for more than half the total cost of operations in most organizations.

According to Michael Porter (2015), vendor evaluation and selection is a fundamental component of risk management and continuous improvement of supply processes. Fisher and Ertel (2015) indicated that it is important for the team to prepare for the commitments ahead of them and decide before undertaking the project. They should be able to find out

whether they are able to honor the commitment, how broad the commitments are, whether the parties involved will be able to honor their promises.

Organizations should be able to create commitment and implement it stage by stage to ensure that trust is created. Honoring of commitments encourages parties even those that are opponents to make deals (Hodge & Piccolo, 2015). Each party is expected to weigh the elements of the agreement before negotiating so as to carefully understand their roles in the situation.

Lysons and Farrington (2013) argue that project procurement practices include various activities such as planning which include various activities such as planning which includes; outlining of the activities, scheduling and sequencing, planning of the staff and manpower to be used, the requirement to produce required quantities and quality, planning on the funds to be used and the communication system that will be used in enhancing monitoring and control of the project (Kirugu, 2011).

The projects should have an effective supply chain function that ensuring that monitoring a control is ran effectively as this ensures that the projects are successful. Parties need to practice some factors before they engage in the process of negotiation (Gadde, 2009). The cost, value the emergency need, the suppliers intended and the markets are the factors that determine the choice of a procurement method (CIPS and NIGP, 2012).

Project implementation is successful through procurement planning, contract monitoring & control according to 90% of respondents who were analyzed in a study done by Barasa (2014) how public projects affected procurement practices at the Kenya Civil Aviation Authority. There are various policies and statutes that guide projects procurement which is

a complex function. The procurement staff, agency and all stakeholders are provided for a policy manual that is comprehensive that comprises of the rules and procedures so that they can understanding the rules required. The programs are successful thorough collective policies and guidelines supported by both government and the donors.

Olima (2015) conducted a study on factors influencing implementation of donor funded projects in government ministries. The study used descriptive research design and the target population comprised 50 officers working in departments that deal with donor funded projects in the eight state corporations and two State departments of the Ministry of Transport and Infrastructure. From the findings it was established that due to insufficient skills from the implementing unit, delay in delivery of materials, bulky paper work, delay in disbursement of project funds and long tendering process.

Gaturu and Muturi (2014) studied the factors affecting the timeliness of completion of donor-funded projects World Agro Forestry Centre (ICRAF). Structured questionnaires were used to collect the data of projects that had been funded by NGO's between 1st January 2005 and 31st December 2012. General information was analyzed through descriptive statistics while the relationship of the variables was described through inferential statistics. That affected the completion of projects funded by donors in Kenya. The study found that completion of the projects was also affected to a great extent by late release of funds, inadequate funds and unpredictable transfers.

A study was done by Muhammad et al (2013) on how implementation of Pakistan projects were affected by procurement practices. He did the study by using two stages which were;

archival analysis which was done on the government and the organizations' documents and literature. The second stage used archival analysis on the case studies.

His choices that are required in a particular program, the procurement choices and its implementation are important factors that were considered in Pakistan. USAID will carry out the next study in Kenya. There are various policies and statutes that guide projects procurement which is a complex function.

The procurement staff, agency and all stakeholders are provided for a policy manual that is comprehensive that comprises of the rules and procedures so that they can understanding the rules required. The programs are successful thorough collective policies and guidelines supported by both government and the donors in Kenya Civil Aviation Authority (Barasa, 2014). The current study will be carried out at USAID in Kenya and will concentrate on the practices rather than obstacles.

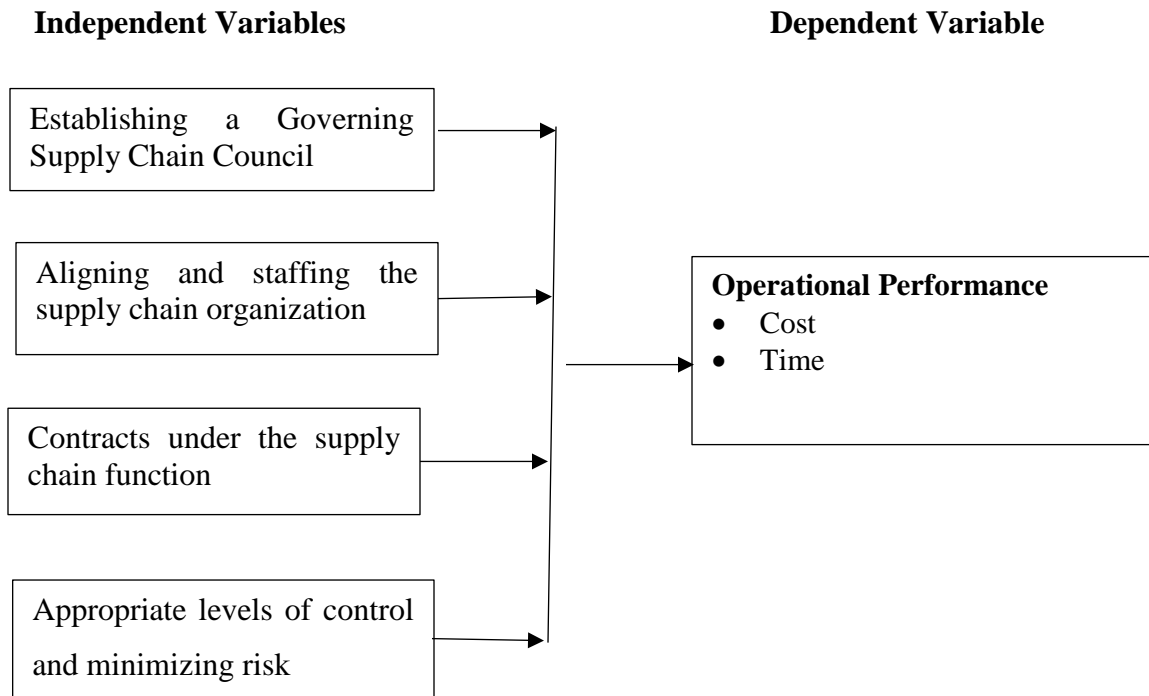
2.6 Summary of Knowledge Gap

How implementation of infrastructure projects was affected by procurement practices was determined in a study done by Muhammad et al (2013) in Pakistan. He used archival analysis. He found that the choices made, reason for the choice, issues at hand and issues involving implementation of procurement were found to impact Pakistan's public sector. USAID will carry out the next study in Kenya. The Kenya Civil Aviation Authority was also studied on how effective public projects affected their procurement practices (Barasa (2014). Bureaucracy was found to be the greatest factor that affected implementation of procurement policies in the Kenyan Civil Aviation Authority. The current study will be carried out at USAID in Kenya and will concentrate on the practices rather than obstacles.

Oganyo (2015) conducted in government ministries. The study was established that a significant relationship was found funded by donors in Kenya. The study found that completion of the projects was also affected to a great extent by late release of funds, inadequate funds and unpredictable transfers. The current study will be carried out in the private sector and specifically at USAID in Kenya.

2.7 Conceptual Framework

Project procurement practices is usually divided into four major processes: Governing Supply Chain Council, Aligning and staffing the supply chain organization, Contracts under the supply chain function, Appropriate levels of control and minimizing risk; which forms the independent variables in this study while Operational performance is the dependent variable.



Source: Author (2018)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

Chapter three was a discussion of the study's methods and describes the research design. The chapter contains the study research design, the targeted population and how they were sampled. Also data that was used, the instrument, how the exercise was conducted to how data was analyzed is also presented in this section.

3.2 Research Design

In a case study, a few easily researchable examples are looked into which narrows the view of a very broad field of research. It allows for testing whether a specific theory is relevant today in a specific setting and is applicable to real life experiences. It is useful when not much is known about an occurrence since it allows the researcher to use one or more of the several research methods to test the theory. The study therefore was used to establish the project procurement practices and operational performance of donor funded projects at USAID.

3.3 Target Population

The target population for this study were the directors or the Programme Managers and procurement staff at United States Agency for International Development, Kenya as they had a wider view of the programmes and the NGO at large thus they were in a better position to fill the questionnaires.

3.4 Data Collection

Primary data was used in this study and it was collected by use of questionnaires. The questionnaire was semi-structured and contained a number of questions which were typed and printed in a definite order on a form. The questionnaires were hand delivered to the respondents who were expected to read and understand the question and write down the responses. Orodho (2004) noted that questionnaires are mainly used because: they are less costly even with large and widely spread sample, used thus more dependable and provided highly reliable results.

3.5 Data Analysis

Data frequencies were run for the quantitative data to draw the trends. The qualitative data was analyzed by use of content analysis technique. This involved the development of a classification system which recorded the information collected, attention or emphasis and the frequency with which ideas or issues were interpreted as a measure of importance. The qualitative analyst's effort in uncovering themes, categories and patterns include the use of both creative and critical faculties by making careful judgment on what is meaningful and significant in the data under review. The first step is to develop manageable classifications or code schemes. Data was interpreted from the trends that occurred.

The study also employed inferential statistics to establish the relationship between procurement practices and operational performance at USAID Kenya. Specifically, the study used Spearman correlation to establish this relationship as shown by the model below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where,

Y = operational performance of donor funded project at USAID Kenya.

X_1 = Governing Supply Chain Council

X_2 = Aligning and staffing the supply chain organization

X_3 = Contracts under the supply chain function

X_4 = Appropriate levels of control and minimizing risk

α = constant.

$\beta_1 \dots \beta_4$ = Coefficients of independent variables $X_1 \dots X_4$

ϵ is error term

CHAPTER FOUR: RESEARCH FINDINGS

4.1 Introduction

This chapter provides the results and findings of the study. This study was focused on the project procurement practices and operational performance of donor funded projects at United States agency for International Development in Kenya. The chapter begins by presenting a descriptive analysis of the general information from the respondents. The rest of the chapter is thematically organized according to the specific objectives.

4.1.1 Response Rate

Forty-five questionnaires (45) were administered to respondents out of which 43 were properly filled and returned, representing a response rate of 98% as shown on Table 4.1. An excellent response rate is 70%, 60% rate is good and 50% is adequate according to Mugenda and Mugenda (2013), for analysis and reporting. Face to face administering of the questionnaires to the respondents by the researcher as well as constant reminders through constant phone calls to the respondents to submit the questionnaires and enquiring on the progress was the reason for the higher response rate.

Table 4.1 Response Rate

Response	Number	Percentage
Responded	43	98
Not Responded	2	2
Total	45	100

4.2 Respondents Background Information

Respondents' demographics and their background information are presented in this section

4.2.1 Gender of Respondents

The study sought to establish the gender of respondents. The findings are presented in figure 4.1 below.

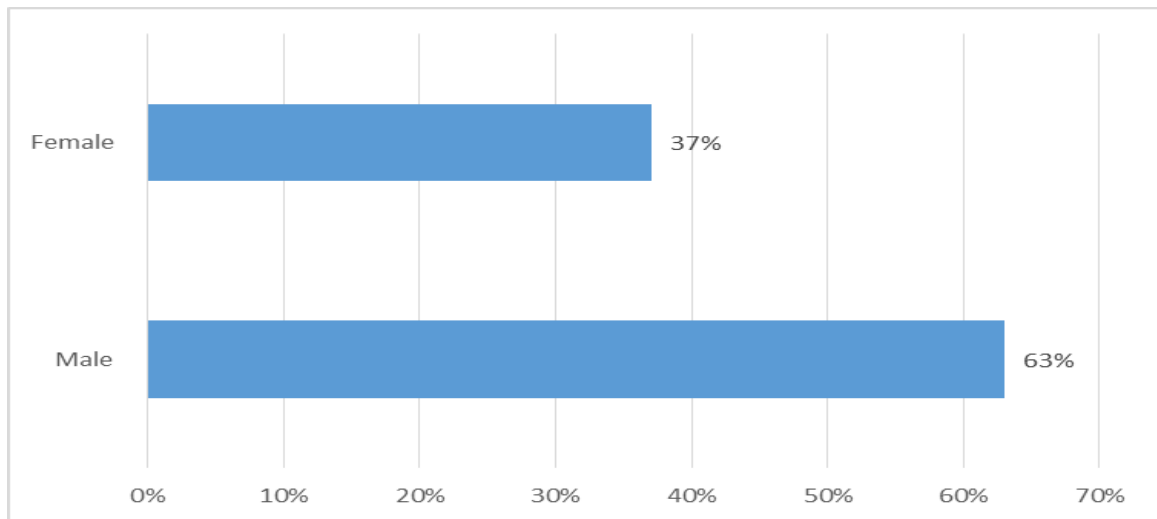


Figure 4.1 Gender Distribution

From the findings, majority, 63%, of the respondents were male whereas 37% were female.

Associates the women lagging behind in top careers due to education levels and experience.

This shows that most of the Programme Managers and procurement staff at United States Agency for International Development, Kenya were of male gender.

4.2.2 Respondents Age Group

The study also sought to find out the age of the respondents. Findings are as show below;

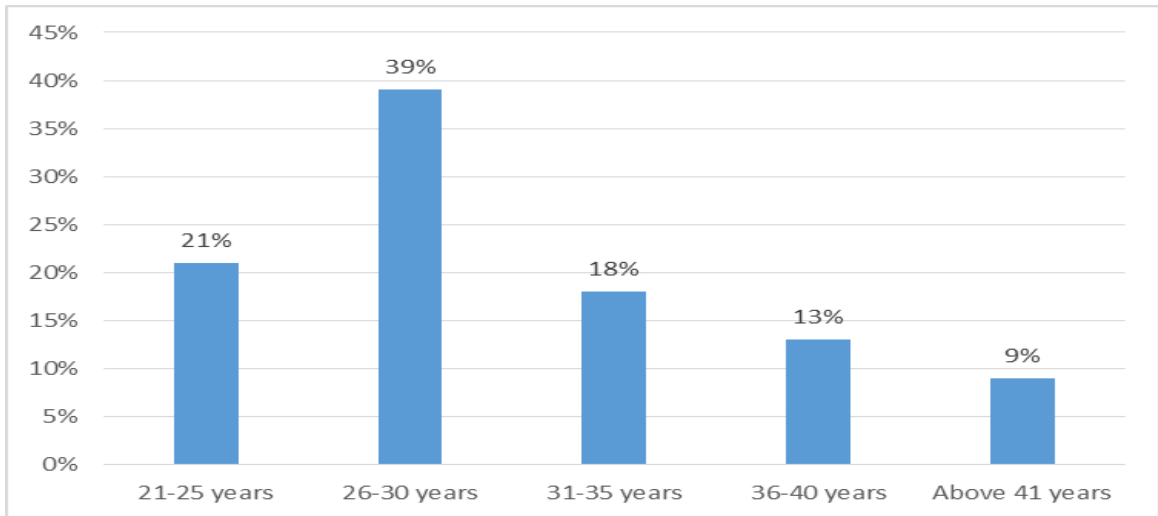


Figure 4.2 Age Distribution

Figure 4.2 shows that 39% of the respondents who were the most were between 26 and 30 years, 21% were between 21 and 25 years, 18% were between 31 and 35 years, 13% were between 36 and 40 years whereas 9% were above 41 years. This shows that the respondents were in their mature age and thus understood the questionnaire effectively.

4.2.3 Respondents Level of Education

The study further sought to evaluate the level of education of the respondents;

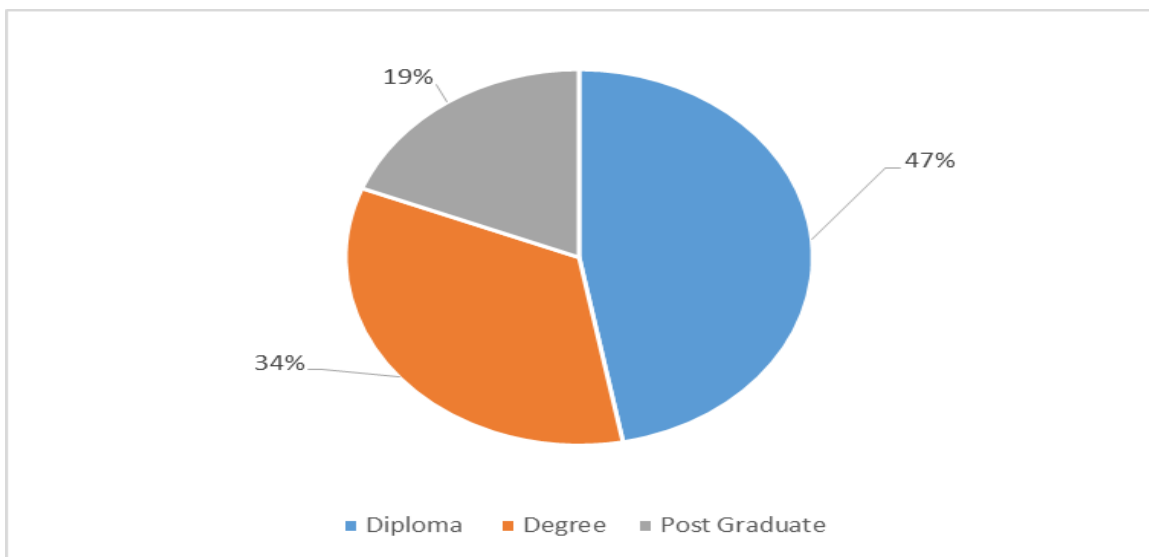


Figure 4.3 Distribution of Respondents by their Level of Education

Figure 4.3 shows that 47% of the respondents possessed a diploma, 34% possessed a degree whereas 19% were post graduates. This shows that the Programme Managers and procurement staff at United States Agency for International Development, Kenya were educated and thus understood the concept of project procurement practices and operational performance of donor funded projects.

4.2.4 Respondents Length of Service or Residing Period

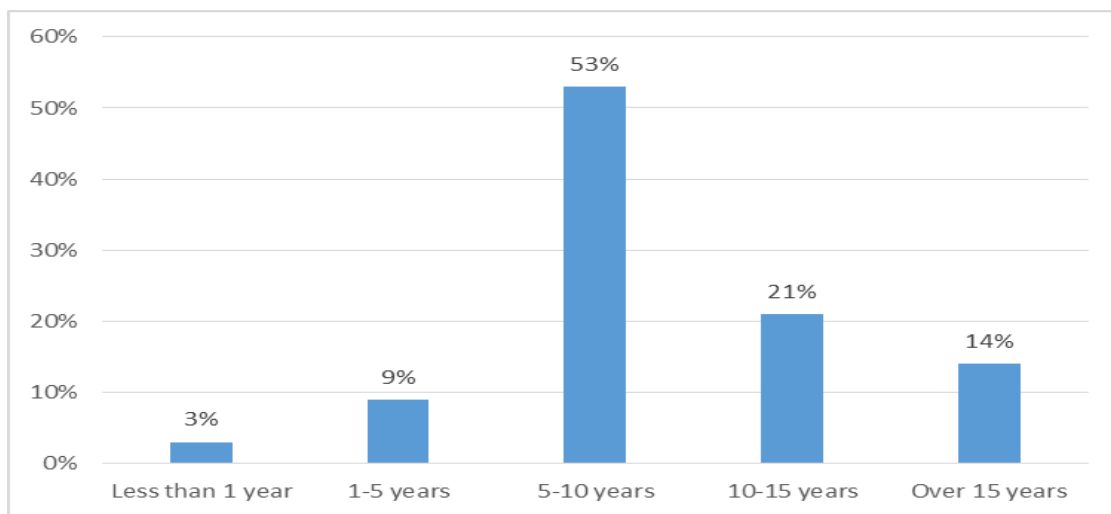


Figure 4.4 Respondents Length of Service or Residing Period

According to Figure 4.4, 53% of the respondents had worked in the organization for a period between 5 and 10 years, 21% had worked in the organization for a period between 10 and 15 years, 14% had worked in the organization for a period of over 15 years, 9% had worked in the organization for a period between 1 and 5 years while 3% had worked in the organization for a period less than 1 year. This thus shows that respondents were familiar with the organization and therefore understood project procurement practices and operational performance of donor funded projects at United States agency for International Development in Kenya.

4.3 Procurement Practices on Establishing a Governing Supply Chain Council

How procurement practices establish a governing supply chain council is evaluated in this section.

4.3.1 Establish a Governing Supply Chain Council

Table 4.2 shows that the extent respondents department had established a governing supply chain council was to a great extent as shown by an average score of 3.91.

Table 4.2 Establish a Governing Supply Chain Council

	Mean	Std. Deviation
supply chain strategy should be in direct correlation with the company strategy	4.02	.263
Supply chain struggles for recognition because their objectives differ from the stated company objectives.	3.88	.167
The governing council provides a constant and consistent validation of strategy in a project	3.95	.935
Supply chain council helps in removing barriers within the organization.	3.91	.175
Supply chain council fosters internal organizational buy-in that is needed to be an effective service organization.	3.79	.245
Total	19.55	1.785
Average	3.91	0.357

The study findings show that the Automatic Teller Machines was convenient to both customers and the bank, the bank had facilitated availability of a wide variety of services due to use of Automatic Teller Machines, the bank offered 24 hours Automatic Teller Machines services to its customers and the bank had been able to offer flexibility to its customers through the use of Automatic Teller Machines to a great extent as shown by mean scores of 4.16, 4.13, 4.09 and 4.04 respectively.

4.3.2 Properly Align and Staff the Supply Chain Organization

According to the findings in Table 4.3, the extent respondents had adopted properly aligned and staff strategies in the organization was to a great extent as shown by an average score of 3.93.

Table 4.3 Properly Align and Staff the Supply Chain Organization

	Mean	Std. Deviation
Staffs in the supply chain must be prepared to execute the set strategies by the council	3.99	.394
Staffs in the supply chain must organize, prioritize and partner.	4.01	.013
The challenge of the staff has been how to organize the function to realize the full potential and benefit of being an effective organization.	3.86	.939
A proficient supply chain professional in the internal business unit is to provide a more centralized approach in a project	3.92	.084
The emerging trend in supply chain organizational effectiveness is to roll up under the supply chain leader the functions of Sourcing, Materials Management, Logistics, Forecasting/Demand planning, and Contract Management.	3.90	.986
Total	19.68	2.416
Average	3.93	0.483

Staffs in the supply chain needed to organize, prioritize and partner to a great extent as shown by a mean score of 4.01, staffs in the supply chain ought to be prepared to execute the set strategies by the council to a great extent as shown by a mean score of 3.99, proficient supply chain professionals in the internal business unit was to provide a more centralized approach in a project to a great extent as shown by a mean score of 3.92, the findings, internet banking was convenient to both customers and the bank, the bank had facilitated availability of a wide variety of services due to internet banking, the bank had facilitated availability of a wide variety of services due to internet banking and the bank

provided an online platform for banking transactions to a great extent as shown by mean scores of 4.13, 4.07, 4.03 and 3.99 respectively.

4.3.3 Put contracts under the supply chain

As per the findings in Table 4.4, respondents had adopted putting under the supply chain functions to a great extent as shown by an average score of 3.93.

Table 4.4 Put contracts under the supply chain function

	Mean	Std. Deviation
The ultimate success of strategic sourcing depends on the team's ability to select key suppliers and to manage supplier alliances for critical spend areas.	3.97	.180
The goal of most supply chain organizations is to channel their relationships with their key suppliers so that maximum focus can be achieved for the major or core spending areas.	3.90	.155
Strategic sourcing shifts the company's and team's focus from just looking at the purchase price, to understanding the dynamics of the total cost of owning or consuming a product or service	3.93	.977
Total	11.8	1.312
Average	3.93	0.437

As per the findings in Table 4.5, bank-customer satisfaction had increased in the last 3 years, market share had increased compared to those of close competitors, increased customer loyalty over the last 3 years, operating expenditure had reduced in the last 3 years, enhanced uptake of bank's products by customers, the volume of sales had increased in the last 3 years, enhanced employee-manager relationships due to reduced level of customer complains, bank's customer base had increased over the last 3 years and enhanced employee productivity to a great extent as shown by mean scores of 4.05, 4.01, 3.98, 3.92, 3.89, 3.83, 3.76, 3.74 and 3.71 respectively.

4.4 Establish Appropriate Levels of Control and Minimize Risk

This section assessed the establishment of appropriate levels of control and minimization of risks.

4.4.1 Identification of Risks/Threats in Projects

Risks in a project were identified through expert judgment, SWOT analysis, diagramming, assumptions analysis, checklist analysis, information gathering and documentation reviews by individuals and the organization.

4.4.2 Risks Associated With Projects

Respondents indicated that wavering, inconsistent or weak executive commitment; quality estimates dependencies and scope management; continuous flow of complex change requests; stakeholder's negative attitude towards the project; resource issues such as turnover; technical factors ie (feasibility and flexibility; stability, availability, scalability, security and extensibility); delivery should integrate with the processes, systems, culture and knowledge; invalid stakeholder's expectations; infeasible requirement and slow, low quality or ambiguous decisions were the main risks associated with the respondents projects.

4.4.3 Risks on Time, Cost and Quality

Respondents indicated that the risks associated with projects affected the completion of the projects at the estimated time, they also tamper with the set budget as when they are delayed by risks, they take more time and thus more funds are used against the set budget and these also affects the quality of the project.

4.4.4 Managing Risks

Respondents indicated that they managed the risks through; creating a risk register (date of the risk being logged, risk description, likelihood, impact, owner, risk response and status); identifying the risks; identifying opportunities; determining likelihood and impacts of the risks; determining the risks response; estimating the risks, assigning owners; regular reviewing of risks and reporting on the risks.

4.5 Inferential Analysis

4.5.1 Coefficient of Correlation

The relationship between variables is determined by the measure of Pearson's correlation coefficient. The two variables in the study are measured by how strong they are through the linear association. Values from +1 to -1 presents the range of the Pearson correlation coefficient. A lack of association between the studied variables presents a value of 0; and a value that is less than 0 indicates a negative relationship while a more than 0 value shows a positive relationship. Table 4.16 shows the findings of the Pearson's correlation coefficient.

The correlation between legal factors and availability of residential housing projects was strong and positive (0.619) and the correlation was statistically significant ($p = 0.000$). The correlation between infrastructural factors and availability of residential housing projects was strong and positive (0.636) and the correlation was statistically significant ($p = 0.000$). The correlation between social economic factors and availability of residential housing projects was strong and positive (0.653) and the correlation was statistically significant ($p = 0.000$). The correlation between financial factors and availability of residential housing

projects was strong and positive (0.712) and the correlation was statistically significant ($p = 0.000$). This shows that there was a positive correlation between operational performance and governing supply chain council, staffing of the supply chain organization contracts under the supply chain function and appropriate levels of control and minimizing risk.

Table 4.5 Coefficient of Correlation

		Operational Performance	Governing Supply Chain council	Staffing of the supply chain organization	Contracts supply chain organization	levels of control and minimizing
Operational Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
Governing Supply Chain Council	Pearson Correlation	.523	1			
	Sig. (2-tailed)	.0032				
Staffing of the supply chain organization	Pearson Correlation	.6140	.3421	1		
	Sig. (2-tailed)	.0021	.0014			
Contracts under the supply chain function	Pearson Correlation	.7460	.1240	.0621	1	
	Sig. (2-tailed)	.0043	.0120	.0043		
Appropriate levels of control and minimizing risk	Pearson Correlation	.5210	.3420	.0000	.1660	1
	Sig. (2-tailed)	.0172	.0031	1.000	.0031	

4.5.2 Regression Analysis

Variable relationships are showed by the statistical process through regression analysis. When a study uses more than one variable, then the use of Correlation as a statistical measure is the best to determine their relationship. The relationship's significance is also shown (governing supply chain council, staffing of the supply chain organization contracts under the supply chain function and appropriate levels of control and minimizing risk).

How the variables affect and relate to each other is determined by the summary of the model in the ability's regression line.

Table 4.6 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.913	0.834	0.751	0.4538

4.5.3 Multiple Regression

Multiple regression analysis was conducted as to determine the relationship between operational performance and the four variables. As per the SPSS generated table 4.19, the equation

($Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$) becomes:

$$Y = 1.308 + 0.558X_1 + 0.785X_2 + 0.620X_3 + 0.731X_4$$

The regression equation above has established that taking all factors into account (governing supply chain council, staffing of the supply chain organization contracts under the supply chain function and appropriate levels of control and minimizing risk) constant at zero, operational performance of donor funded projects; a unit increase in staffing of the supply chain organization will lead to a 0.731 increase of increase operational performance of donor funded projects; a unit increase in contracts under the supply chain function will lead to a 0.785 increase in increase operational performance of donor funded projects and a unit increase in appropriate levels of control and minimizing risk will lead to a 0.620 increase in increase operational performance of donor funded projects. This infers that contracts under the supply chain function most to increase

operational performance of donor funded projects followed by staffing of the supply chain organization then appropriate levels of control and minimizing risk while governing supply chain council contributed the little to increase operational performance of donor funded projects.

Table 4.7 Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.308	1.342		1.623	0.357
Governing Supply Chain Council	0.558	0.310	0.172	4.342	.0276
Staffing of the supply chain organization	0.731	0.156	0.210	3.532	.0285
Contracts under the supply chain function	0.785	0.322	0.067	3.542	.0202
Appropriate levels of control and minimizing risk	0.620	0.245	0.148	3.458	.0249

4.6 Discussion of Findings

The study found that the extent respondents department had established a governing supply chain council was to a great extent; the extent respondents had adopted properly aligned and staff strategies in the organization was to a great extent and respondents had adopted putting under the supply chain functions to a great extent. These findings were supported

by Meredith & Mantel (2012) who found that procurement includes poor perception amongst potential suppliers. The negative perception has in turn led poor response from experienced and qualified suppliers whenever the tenders are floated by public entities. Moreover, although the PPDA that was characterized by corruption and kickbacks hence some suppliers are still reluctant to bid for the tenders. This negative perception therefore negatively impacts on these organizations. Project procurement practices is usually divided into ten major activities (Githaiga, 2014).

The study also found that Risks in a project were identified through by individuals and the organization; wavering, inconsistent or weak executive commitment; quality estimates dependencies and scope management; continuous flow of complex change requests; stakeholder's negative attitude towards the project; resource issues such as turnover; technical factors ie (feasibility and flexibility; stability, availability, scalability, security and extensibility); delivery should integrate with the processes, systems, culture and knowledge; invalid stakeholder's expectations; infeasible requirement and slow, low quality or ambiguous decisions were the main risks associated with the respondents projects; risks associated with projects affected the completion of the projects at the estimated time, they also tamper with the set budget as when they are delayed by risks, they take more time and thus more funds are used against the set budget and these also affects the quality of the project and that respondents managed the risks through; creating a risk register (date of the risk being logged, risk description, likelihood, impact, owner, risk response and status); identifying the risks; identifying opportunities; determining likelihood and impacts of the risks; determining the risks response; estimating the risks, assigning owners; regular reviewing of risks and reporting on the risks.

These findings were in line with Smith et al. (2016) who contends that vendor evaluation and selection is a fundamental component of risk management and continuous improvement of supply processes. This is important for the team to prepare for the commitments ahead of them and decide before undertaking the project. project procurement practices include various activities such as planning which include various activities such as planning which includes; outlining of the activities, scheduling and sequencing, planning of the staff and manpower to be used, the requirement to produce required quantities and quality, planning on the finds to be used and the communication system that will be used in enhancing monitoring and control of the project. The projects should have an effective supply chain function that ensuring that monitoring a control is ran effectively as this ensures that the projects are successful. Parties need to practice some factors before they engage in the process of negotiation. The cost, value the emergency need, the suppliers intended and the markets are the factors that determine the choice of a procurement method (Cooper *et al.* 2015)

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The objectives of the study were to establish the projects procurement practices commonly used by Donor Funded Projects at USAID Kenya and to determine the relationship between project procurement practices and operational performance of donor Funded Projects at USAID Kenya. Here, summary of the findings are shown as well as the conclusions and recommendations.

5.2 Summary of the Findings

The study found that the extent respondents department had established a governing supply chain council was to a great extent; the extent respondents had adopted properly aligned and staff strategies in the organization was to a great extent and respondents had adopted putting under the supply chain functions to a great extent.

The study also found that Risks in a project were identified by individuals and the organization; wavering, inconsistent or weak executive commitment; quality estimates dependencies and scope management; continuous flow of complex change requests; stakeholder's negative attitude towards the project; resource issues such as turnover; technical factors ie (feasibility and flexibility; stability, availability, scalability, security and extensibility); delivery should integrate with the processes, systems, culture and knowledge; invalid stakeholder's expectations; infeasible requirement and slow, low quality or ambiguous decisions were the main risks associated with the respondents

projects; risks associated with projects affected the completion of the projects at the estimated time, they also tamper with the set budget as when they are delayed by risks, they take more time and thus more funds are used against the set budget and these also affects the quality of the project and that respondents managed the risks through; creating a risk register (date of the risk being logged, risk description, likelihood, impact, owner, risk response and status); identifying the risks; identifying opportunities; determining likelihood and impacts of the risks; determining the risks response; estimating the risks, assigning owners; regular reviewing of risks and reporting on the risks.

5.3 Conclusions

The study concluded that United States agency for International Development in Kenya had established a governing supply chain council, had adopted properly aligned and staff strategies in the organization and had adopted putting under the supply chain functions to a great extent. The study also concluded that a governing supply chain council, aligning and staffing the supply chain organizations, contracts under the supply chain function and appropriate levels of control and minimizing risks significantly affected operational performance of donor funded projects at United States Agency for International Development in Kenya.

5.4 Recommendations

- i. The management of United States Agency for International Development in Kenya should ensure that sustainability is met by attaining its goals and objectives

so as to attain its long term success as doing their work effectively and efficiently will lead to good performance.

- ii. The management of United States Agency for International Development in Kenya should also ensure that they effectively identify, assess, analyze and respond to risks so as to be able to manage them in projects.
- iii. Officials involved in public procurement in United States Agency for International Development in Kenya must not make improper use of their positions in the application of the highest ethical standards will help ensure the best achievable procurement outcome.
- iv. The management should also ensure that they make decisions based on sufficient information so as to attain a better overall performance.

5.5 Suggestions for Further Studies

Future studies should also look into how aspects like demographics influence the project procurement practices and operational performance of donor funded projects in order to widen the scope of study.

There is further need for use of other data collection instruments example focus group discussion and interview guides where the respondent's will not be limited on their

responses in order to capture the various groups' arguments in relations to the topic under discussion.

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APPENDIX 1: QUESTIONNAIRE

This questionnaire is solely for academic purposes. The answers you give will not be shared with any person or institution. The questionnaire is divided into two parts, A and B. Your participation is highly appreciated. Thank you in advance.

Section A: Background Examination

What is your Gender?

Male Female

Indicate your Age Group

21-25 26-30
 31-35 36-40 above 41

Indicate your Level of Education

Diploma Degree Post Graduate

How long have you worked in this organization

Less than 1 year 1 to 5 years between 5 and
 10 years
 11 to 15 years above 15 year

Section B: Establish a Governing Supply Chain Council

Indicate the extent to which your department has adopted the following procurement practices where 5= to a very great extent, 4= to a great extent, 3= to a moderate extent, 2= to a little extent and 1= to no extent

Establish a governing supply chain council	1	2	3	4	5
supply chain strategy should be in direct correlation with the company strategy					

Supply chain struggles for recognition because their objectives differ from the stated company objectives.					
The governing council provides a constant and consistent validation of strategy in a project					
Supply chain council helps in removing barriers within the organization.					
Supply chain council fosters internal organizational buy-in that is needed to be an effective service organization.					
Properly align and staff the supply chain organization					
Staffs in the supply chain must be prepared to execute the set strategies by the council					
Staffs in the supply chain must organize, prioritize and partner.					
The challenge of the staff has been how to organize the function to realize the full potential and benefit of being an effective organization.					
A proficient supply chain professional in the internal business unit is to provide a more centralized approach in a project					
The emerging trend in supply chain organizational effectiveness is to roll up under the supply chain leader the functions of Sourcing, Materials Management, Logistics, Forecasting/Demand planning, and Contract Management.					
Put contracts under the supply chain function					
The ultimate success of strategic sourcing depends on the team's ability to select key suppliers and to manage supplier alliances for critical spend areas.					
The goal of most supply chain organizations is to channel their relationships with their key suppliers so that maximum focus can be achieved for the major or core spending areas.					
Strategic sourcing shifts the company's and team's focus from just looking at the purchase price, to understanding the dynamics of the total cost of owning or consuming a product or service					

Section C: Establish appropriate levels of control and minimize risk

- i. How do you identify risks/threats in the project?
 - a. as an individual?
 - b. in the organization?

- c. in this project?
- ii. Regarding the phase you take part in and role you have in the project, which are the main risks (threats) are associated to your project?
- iii. What effects can those identified risks have on time, cost and quality, in the project?
- iv. What action do you usually take against risks?
- v. What action would you take to the identified risks in the project?

Section D: Operational Performance

How would you rate the following measures of operation performance in your organization in the last five years (2013-2017)?

Performance Measurement	2013	2014	2015	2016	2017
Cost					
Time					

THANK YOU FOR PARTICIPATING IN THIS STUDY