

**PUBLIC PROCUREMENT LAW AND PROCUREMENT  
PERFORMANCE OF COUNTY GOVERNMENTS IN  
KENYA: CASE OF MACHAKOS COUNTY GOVERNMENT**

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**A Management Research Project Submitted In Partial Fulfillment of  
the Requirements of Degree of Master of Business Administration,  
(MBA), School Of Business, and University Of Nairobi**

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## DECLARATION

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

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

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## **DEDICATION**

In the memory of my late father,

MZEE LEONARD MBAE KIRAITHE

He tirelessly prepared me all through but never lived to harvest the fruits of his hard work. God Rest their soul in eternal peace.

## **ACKNOWLEDGEMENTS**

I pay a very special tribute to my family for their understanding, encouragement and patience as I undertook the MBA course. I particularly thank my daughters Brenda and Michelle for always assisting in typing throughout the course, my small angel Kanana for her continued love and my dear wife Emily for her endless support.

Special thanks to my supervisor, Mr. Onserio Nyamwange for his valuable contribution, guidance and encouragement during the entire period of study and particularly in the research project.

I would also like to acknowledge the many people whose assistance directly or indirectly facilitated the completion of this research project. Many thanks go to the respondents who participated in the study. I sincerely thank them for their cooperation and the speed with which they responded.

I am incredibly thankful to my maker who gave me strength, good health and a sound mind throughout my study period.

## **ABSTRACT**

This study was conducted with the objective of investigating the impact of public procurement law on the performance of Machakos county government. To achieve the above objectives, primary data was collected using a structured questionnaire. The questionnaire was administered through drop and pick later method. Responses were analyzed using deductive and inductive approaches and descriptive statistics. The findings were presented using percentages, frequency, means, standard deviations and tables. The study established that the public procurement regulation law has reduced the speed with which goods and services are procured, increased the level of transparency among Government offices, improved utilization of funds in the County Government operations, improved the capacity of the staff involved in procurement processes, improved the quality of projects undertaken by the County Government and provided room for procurement dispute resolution at the County. The study too established that the Duration taken, the level of ICT and technicality of the goods being sourced affects the procurement process. The study also established that political forces, unethical practices, lack of transparency and accountability and dishonesty among procurement officers have affected procurement processes. The study concludes that the procurement law has a great impact on the procurement performance at the Machakos County. The study too concludes that there are a number of challenges faced by the county government which affects the procurement performance of the county. The study recommends that the county government comes up with strategies that will enforce stricter penalties on officers found to have engaged in corruption, it also recommends that the county government organizes employee trainings and workshops to train them on technical skills. The study also recommends that the county appoints a procurement oversight committee that will see implementation of the procurement law and county policies on procurement.

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## **CHAPTER ONE: INTRODUCTION**

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

Public procurement refers to the acquisition of goods, services and works by a procuring entity using public funds (World Bank, 1995). According to Roodhooft and Abbeele (2006), public bodies have always been big purchasers, dealing with huge budgets. The public procurement system in Kenya has undergone significant developments. From being a system with no regulations in the 1960s, and a system regulated by Treasury Circulars in the 1970s, 1980s and 1990s, the introduction of the Public Procurement and Disposal Act (PPDA) of 2005 and the Procurement Regulations of 2006 has introduced new standards for public procurement in Kenya. Public procurement is the acquisition of goods and services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place and from the right source for the direct benefit or use of corporations, or individuals, generally by contract, (Breitman and Lucas, 1987). Procurement generally involves making buying decisions under conditions of scarcity. If good data is available, it is good practice to make use of economic analysis methods such as cost-benefit analysis or cost-utility analysis. An important distinction is made between analysis without risk and those with risk. Where risk is involved, either in the costs or the benefits, the concept of expected value may be employed.

According to the Public Procurement and Disposal Act procurement means a public entity making procurement where public entities are includes government departments, corporations, and courts, public schools, colleges and public Universities among others. In the public universities, the vice-chancellors are the chairmen of the committees, while principals/heads of colleges chair College Tender Committees. Other members of the University Tender Committees include the deputy vice-chancellors, finance officers, college principals, at least two faculty heads and two council representatives who are not members of the academic staff (Odhiambo and Kamau, 2003).

Public procurement often constitutes the largest domestic market in developing countries. Depending on how it is managed, the public procurement system can thus contribute to the economic development of these countries (Kihara, 2009). Public procurement is the

principal means through which governments meet developmental needs such as the provision of physical infrastructure and the supply of essential medicines. Many governments use public procurement to support the development of domestic industries, overcome regional economic imbalances, and support minority or disadvantaged communities (Kihara, 2009).

Because the deployment of the public procurement system to pursue these developmental goals entails governmental exercise of enormous discretion, it is often an extremely controversial subject matter. According to Kihara (2009), this is especially the case in developing countries where “the ability to exercise discretion in the award of government contracts has been a source of valued political patronage” and procurement has been “a means for the illicit transfer of funds from governmental to private hands.” Another important attribute of public procurement in developing countries is that a considerable part of it is financed by the so called development partners, as part of either bilateral or multilateral development assistance (Mokaya, 2013).

According to Raymond (2008), there are many factors that influence organizations’ performance procurement is one of them. Some of these factors include the economic state existing and other macroeconomic variables. The overriding objective of a state’s public procurement system is to deliver efficiency and “value for money” in the use of public funds, whilst adhering to the set down laws. Kabaj (2003) contends that an efficient public procurement system is vital to the advancement of African countries and is a concrete expression of their national commitments to making the best possible use of public resources. Rotich (2011) admits that the evaluation or measurement of procurement performance has always been a vexing problem for procurement professionals. Three different levels of performance measurement within a public procurement system are broadly identifiable. Mamiro (2010) in his findings underscores these facts and concludes that one of the major setbacks in public procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement.

The government of Kenya faced an uphill task in ensuring that the public has a measure of confidence in its procurement procedures indeed the public perception which accords fully with the reality has been that the procurement process is opaque, unfair, anti competition and riddled with corruption (Okello, 2009). Transparency International report 2011 has indicated that contracts by government and public entities have been anything but unclean. An effective procurement process creates an environment for continuity by enabling the maintenance of sizeable inventory that does not tie up capital and eliminates prospects for deterioration of stocks. Procurement process is critical in that it can contribute to the organizations overall cost reduction strategy Procurement function is usually undertaken by a specialized department that coordinates every aspect of the acquisitions (Ndirangu, 2007).

### **1.1.1 Public Procurement Law**

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

Government procurement is one of the major economic activities of any government. These include: redistributing income through taxation and spending, provision of public goods and services, and providing the legal framework for economic activities to flourish (OECD, 2007). In order to come up with a suitable government procurement practice that can be compared across various public organizations, it has become necessary to design a formal government procurement codes that contain formal procurement rules and regulations across a number of countries both in the developed and developing nations (Teelken and Smeenk, 2003). For the poor developing countries, especially in the

sub-Saharan Africa, government procurement regulations and procedures have been one of the reform areas since early 2000 (Thai, 2001; OECD, 2007).

Thai (2001) noted that by 2003, all the East African Countries, Uganda, Kenya, and Tanzania had enacted government procurement codes as Acts of Parliament and have been implemented since. In Uganda, a new law to regulate public procurement was introduced in the year 2002 (Tukamuhabwa, 2012). The new procurement law was introduced to not only bring coherence and uniformity in public procurement but also to improve efficiency, transparency and accountability and value for money in procurements. It also eliminates corruption and allows for fair competition (GOU, 2003). European Union (2010) concurs with this statement by noting that the European Union public sector procurement should follow transparent open procedures ensuring fair conditions of competition for suppliers.

In Kenya, the Public Procurement and Disposal Act, of 2005 was assented to on 26th October 2005 and was revised in 2009 to establish procedures for procurement and the disposal of unserviceable, obsolete or surplus stores and equipment by public entities (Mwangi, 2009). With the gazettelement of the subsidiary legislation, the PPDR of 2006, the law became operational on 1st January, 2007 (Kirugu, 2010). The Act established three independent bodies; an oversight body, the PPOA, Public Procurement Oversight Advisory Board (PPOAB) and the Public Procurement Administrative Review Board (PPARB).

### **1.1.2 Machakos County**

Machakos County nicknamed “Macha” borders Nairobi and Kiambu counties to the West, Embu to the North, Kitui to the East, Makueni to the South, Kajiado to the South West, and Murang’a and Kirinyaga to the North West. Machakos County stretches from latitudes 0° 45’ South to 1° 31’ South and longitudes 36° 45’ East to 37° 45’ East. The county has an altitude of 1000 - 1600 meters above sea level. It has a Total Population of 1,098,584 people, 264,500 Households and covers an area of 6,208 SQ. KM. The

Population density is 177 persons per SQ. KM. The Akamba people are the dominant habitants of Machakos County. (GoK, 2013)

The local climate is semi arid with a hilly terrain covering most parts of the county. The beautiful hilly scenery is perfect for tourist related activities such as camping, hiking safaris, ecotourism and cultural tourism, dance and music festivals among many more. A number of establishments ensure the region has a well rounded hospitality industry (Machakos County Government, 2013).

Subsistence agriculture is practiced with Maize and drought-resistant crops such as sorghum and millet being grown. However, the County also plays host to the open air market concept with major market days where large amounts of produce are traded. Fruits, vegetables and other food stuffs like maize and beans are sold in these markets. The county has been selected as the home to the upcoming Konza Technology City due to its proximity to Nairobi, good infrastructure and availability of massive chunks of land. Machakos County, Nairobi's Eastern neighbour, is home to important industrial and residential centers like Athi River and Mlolongo. Sadly, the developments do not extend to most parts of the huge county, but that is about to change when a planned technology city development is finalized (Machakos County Government, 2013).

Some of the strengths in the county are: Closeness to Nairobi County which is the capital city of the country, availability of massive arable land, strong Gender supporting NGOs, Well endowed with natural capital including livestock, minerals, wild game, tourists attraction sites, rangeland and space, A resilient local community with developed mechanism of survival. Besides Konza Techno City, the county government also has an ambitious master-plan that will see the face of the county lifted by the envisioned planned Machakos City that will be adjacent to Machakos Town. Plans for the ground breaking ceremony are underway after investors expressed a lot of interest and Memorandums' of Understanding signed (Machakos County Government, 2013).

Machakos County was the first capital city of Kenya and now, it is an administrative county in Kenya. Machakos has eight (8) constituencies including Machakos Town, Mavoko, Masinga, Yatta, Kangundo, Kathiani, Matungulu, and Mwala. Machakos Town is the administrative capital of the county (machakosgovernment.com, 2013). The county government of Machakos is headed by Governor Alfred Mutua, Machakos County is sub divided into forty wards located within the eight constituencies. The county governments has eleven departments which include department of labour, ICT and cooperative development, department of lands, energy, environment and natural resources, department of transport, roads, public works and housing, department of health and emergency services, department of water, irrigation and sanitation, department of trade, economic planning and industrialization, department of decentralized units, urban areas and municipalities, department of education, youth and social welfare, department of tourism, sports and culture, department of water, agriculture, irrigation and sanitation and county treasury and revenue allocation (Machakos County Government, 2013).

## **1.2 Research Problem**

Public procurement needs a tight/waterproof system to be followed and adopted. The adoption and implementation of the Procurement Act of 2005 and subsequent regulations and guidelines has affected public institutions performance in several ways including ensuring ethical standards are maintained in public procurement processes and promoting accountability (Onsongo, Okioga, Otieno and Mongare, 2012). The Constitution of Kenya 2010 created County Government structure based on principles of democracy, revenue reliability, gender equity, accountability and citizen participation. Devolution is meant to enhance accountability by bringing politicians and resources closer to the people they are intended to serve. However, the implementation of devolution has not been easy as the County Government needed to engage in massive procurement in the establishment of County Governments. This has affected the performance levels of these County Government. Several studies have been done on impact of procurement and Disposal Act of 2005.

Sound public procurement policies and practices are among the essential elements of good governance (KIPPRA, 2006; World Bank, 2002). An ideal procurement system

should also focus on effectiveness, where procuring entities should meet the commercial, regulatory and socio-economic goals of government in a manner that is appropriate to the procurement requirement. Wittig (1999) indicates that any improvements in the public procurement system can have a direct and beneficial effect on the overall economic situation of a country. This underscores the importance of ensuring ethical standards are maintained in public procurement processes. The public purchasing environment can create an atmosphere conducive to unethical behaviour (Badenhorst, 1994). An environment characterized by an absence of clear ethical policies can contribute towards unethical behavior (Badenhorst, 1994). Reilly and Kyi (1992) state that the ethical level of behaviour is procurement staff is mainly determined by the climate (environment) of the organisation, top management, limited productive resources and lack of intellectual support in the organization.

Local studies have been done on the area of procurement performance have focused on the effect of procurement process in companies. Ngugi and Mugo (2007) analyzed the effect of procurement activities on the operation and effectiveness of public sectors in Kenya. Abdifatah (2012) did a study on supply chain management practices and their impact on performance among humanitarian organizations in Kenya, using a population of twenty eight humanitarian organizations concluded that they should come up with mechanisms that will enable them to overcome various challenges in their supply chains such as use of technology to speed up work, effective and efficient internal operations inter-organizational integration and continuous improvement in the organization. Abdi (2012) examined procurement practices of public state corporations in Kenya. A procurement review by PPOA (2010) of the Narok North District on compliance with the law, regulations, internal controls, generally accepted principles and institutional framework found out that there were deviations in general and specific areas of procurement stages. However, these studies reviewed failed to address the impacts of public procurement law and procurement performance of county governments in Kenya. This study therefore will seek to investigate the impact of procurement and disposal act on performance of county governments in Kenya: case of Machakos County Government. To achieve this objective, the study sought to answer the following research

questions: How has the public procurement regulation law impacted on performance of Machakos County Government? What are the factors affecting public procurement processes in Machakos County Government? What are the challenges of public procurement regulation law in Machakos County Government?

### **1.3 Research Objective**

#### **1.3.1 General objective**

The general objective of this study was to establish the role of public procurement law on county government's performance.

#### **1.3.2 Specific objectives**

- i. To determine factors affecting public procurement processes in Machakos County Government.
- ii. To assess Impact of the public procurement regulation law on procurement performance of Machakos County Government.

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

County governments in Kenya would make use of this study, as it would provide complementary knowledge useful in formulation of policy and a regulatory framework on management of public procurement processes in their respective County Governments.

It is hoped that the findings of this study would also introduce new comparative knowledge for procurement managers in the different counties on the effects that public procurement Act affects their performance hence enable them develop appropriate strategies to improve their counties performance.

Researchers and scholars can use this information to add to their understanding of the impact of public procurement rules and regulation on the operations of county government. The study findings would help provide other researchers with required literature for their research. It would also further lead to the generation of new knowledge



and hence bridge the gap. The study would also provide foundation and material for further related research.

## **CHAPTER TWO:LITERATURE REVIEW**

### **2.1 Introduction**

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

### **2.2 Public Procurement Law in Kenya**

According to Kihara (2009), the government enacted the exchequer and audit (Public Procurement) Regulations of March 2001. During the same public procurement regulations were issued by the Ministry of Finance which unified all circulars that had been issued earlier on procurement. The in Professor Akech's view procurement regulation was based on the UNCITRAL Model Law on Procurement of Goods, Construction and Services, which embraces the principles of sound public procurement. The Regulations applied to all public entities except where the Minister for Finance decided in consultation with the head of the procuring entity, that it was in the interest of national security to use a different procedure (Kirugu, 2010).

The Central Tender Board was then abolished since public entities established their own tender committees and began to procure independently. In 2002 the Public Procurement Directorate (PPD) was established to regulate procurement operations. This body was very instrumental in promoting accountability and transparency in the entire procurement process (Mutava, 2012). In a bid to promote capacity development, about seven hundred procurement officers from different ministries were trained so as to promote professionalism in the sector. The Public Procurement Appeals Board (PPAB) which existed was dissolved and replaced with the Public Procurement Complaints Review and Appeals Board (PPCRAB) whereby suppliers were granted the right to appeal (GoK, 2001).

As stated earlier by Kihara (2009), security contracts were exempted from the Regulations where the minister for Finance decided, in consultation with the head of the procuring entity, that it was in the interest of national security to use a different

procedure. This section gave a blank cheque to the minister resulting to scandals such as the Anglo leasing scandal where security was cited to justify procurement by single sourcing which resulted to overpricing of the procured items. This scandal involved Kshs.56.5 billion in the process of which the Government lost a lot of money in unclear procurement deals (GoK, 2001).

In 2003, an independent procurement review of public procurement was undertaken which identified shortcomings such as, abuse of contract variations, poor record keeping for audit, lack of guidance on low value procurements, lengthy procurement process, conflict of interest, lack of evidence on procured items among many weaknesses (Odhiambo, 2005). This led to the dismissal of 2,000 procurement officers from ministries and state corporations in a bid to clean up the entire sector and workforce. Procurement activities were also temporally suspended.

The Public Procurement Directorate (PPD) undertook a training needs assessment; developed training programmes and the government recruited new procurement staff and deployed them to ministries in the year 2004. This was in a bid to ensure that the process was led by an untainted work force. The Public Procurement and Disposal Act was then enacted, followed by the Public Procurement and Disposal Regulations, then the Supplies Management Practitioners Act, which was formed to support professionalism in the procurement function, the Public Procurement and Disposal General Manual, the Public Procurement and Disposal (Public Private Partnership) Regulations and recently the Constitution of Kenya, whereby accountability in public procurement has been enshrined in the supreme law of the land (Kirugu, 2010).

### **2.3 Impact of the Public Procurement Law on Performance**

Wittig (1999) indicates that any improvements in the public procurement system can have a direct and beneficial effect on the overall economic situation of a country. This underscores the importance of ensuring ethical standards are maintained in public procurement processes. This view is upheld by Basheka and Tumutegyerize (2010) who state that in most countries procurement of goods, services and works required by

government departments consumes a considerable part of government resources. Unethical practices involve public officials unlawfully enriching themselves and /or those close to them by misusing the public procurement trust bestowed on them (Basheka & Tumutegereize, 2010). Accountability constitutes a central pillar of any public procurement system (Jeppesen, 2010). Without transparent and accountable systems enabling governments and citizens to engage in a mutually responsive way, the vast resources channelled through public procurement systems run the danger of increased unethical practices and misuse of funds (Jeppesen, 2010).

Wanyama (2010) posits that the principle provisions of the Act and the Regulations have inherent weakness prone to abuses by procuring entities and do not envisage contemporary market realities. Kenya et al (2010), also argues that though development of mechanism for contract administration and appeals was hailed as a positive move, institutional capacity in procuring entities and procurement markets are the weakest. However PPOA (2007) reveals that the strongest points of the reforms have been the delegation of the procurement decisions which have been fully achieved. The report adds that the responsibility of procurement have been fully left to the tender committees and units of the procuring entities.

Improving the capacity of staffs involved in the procurement process was key in the reform process. However PPOA (2007) reported of a shortfall of expertise within procurement units despite efforts to develop a professional procurement workforce thus, compromising the efficiency of the procurement operations. Timely procurement is also a critical aspect of any procurement system, but Kenya et al (2010), argues that the reforms have not yet positively impacted on the timely procurement, contract execution and payment. The study adds that there are no clear legal provisions to guide on timeliness of procurement operations. Several studies (KPMG, 2008; KACC, 2007) also observe that, public procurement still suffers from various forms of corruption with officials manipulating the regulations to favor participation of certain firms and restrict others.

Ogachi (2011) conducted a research in Kenya about the procurement profession and indicated that the procurement professionals' reward (pay) affected the extent to which they adhered to the ethical code of ethics. With better pay the public procurement professionals tended to observe the professional code of ethics (Ogachi, 2011). Nyeko and Kakwezi (2011) study underscores the importance of the procurement cycle in fostering enhanced ethical standards in Africa. The study concluded that a good procurement cycle encouraged competition among suppliers, professionalism, good business ethics and non discrimination in public procurement (Nyeko *et al*, 2011).

#### **2.4 Factors Affecting Public Procurement Processes**

Duration taken is one of the factors that influence effectiveness of tendering process in Public Sector. If not well managed it will be very costly to the company. All Public sectors are required to comply with the law on duration taken in tendering process. Tendering is the function that costs an organization a great deal of money and this has to be performed correctly in order to maximize effectiveness and minimize costs (GOK, 2004). Organizations, Executive management everywhere is realizing that managing Tenders must emerge as a critical core competency if organizations are to increase revenue. According to Public Procurement and Disposal Act 2005 and Regulation Procurement play a very important role in Economical growth and Development of a country if well managed (Jodie, 2004). It is vital to ensure that time taken in tendering process is reasonable and is compliant with the law.

The public purchasing environment can create an atmosphere conducive to unethical behaviour (Badenhorst, 1994). An environment characterised by an absence of clear ethical policies can contribute towards unethical behavior (Badenhorst, 1994). Reilly and Kyi (1992) state that the ethical level of behaviour is procurement staff is mainly determined by the climate (environment) of the organisation, top management, limited productive resources and lack of intellectual support in the organization. Thai (2001) outlines the environmental factors affecting the ethical standards in public procurement as: internal environment, legal environment, political environment and socio-economic environments. Thai (2001) discusses the influence of the politics of

public procurement as forming an Iron Triangle Relationship. The interest groups within the public procurement process affect all the standards and rule of procedure including the legislative arms.

Organization culture plays a key role in the procurement process and the final performance of an organization. A number of empirical researches have been conducted that point to organizational culture as affecting ethical standards in public procurement. Basheka and Tumutegyereize (2010) conducted a research on the public procurement ethical standards in Uganda. The empirical study found organizational culture as statistically significant with regard to the causes of public procurement corruption. The research concluded that organizational determinants are the major factors, which account for the increasing trends of procurement corruption (Basheka & Tumutegyereize, 2010). The OECD empirical research conducted in European countries also point to organizational culture variables as affecting the state of ethical standards in public procurement (OECD, 2007). The research established that organizations with a culture of frequent public procurement audits tended to have higher ethical standards than those that don't (OECD, 2007).

Due to regulatory reforms and changing community expectations, the role of culture in organizational compliance has gained momentum (Lisa, 2010). Basing on the competing values model, which involves enforcement of rules, conformity and attention to technical matters, individual conformity and compliance are achieved through enforcement of formerly stated rules and procedures (Zammuto and Krakower, 1991, as cited in Parker and Bradley, 2000). Although there is no single definition of culture, one can define it as 'the structure of behaviors, ideas, attitudes, values, habits, beliefs, customs, language, rituals, ceremonies, and practices of a particular group of people that provides them with a general design for living and patterns for interpreting behavior' (Rice, 2007). According to Lisa (2010), culture plays a central role in the compliance process and associated outcomes. It is also contended that in a specific type of culture, characterized by specific values such as openness, trust and honesty (Arjoon, 2006) as cited in Lisa (2010), employees are more likely to engage in compliance behaviors, which collectively will

contribute to organizational compliance. Parker and Bradley (2000) further indicated that awareness of the nature of public organizational culture is vital in explaining and assessing the appropriateness and outcome of the current reform process. This applies to developing countries where waves of procurement reforms have resulted into enactment of procurement rules and regulations.

Research studies mention factors such as accountability ICT adoption, internal operating procedures and internal control system as likely factors to impede or promote the management of the procurement function in the public sector. On the same note, Ngugi and Mugo (2010) established that the performance of public procurement function in Kenya is affected by these factors. However, their study did not bring out clearly the issue of how these factors affected effective management of the procurement function. It should be noted that these factors present themselves differently under different operational managerial environment.

#### **2.4 Challenges of Public Procurement Law**

According to the Kenya Public Procurement and Oversight Authority (PPOA) (2007), unethical practices in public procurement are non enforcement of law, lack of transparency and accountability, breakdown or erosion of values and norms, weak management systems, procedures and practices, lack of professional integrity, greed and abuse of discretionary power. Pidaparthi (2006) states that procurement corruption can take place at every stage in

In a democracy many individuals, groups, and organizations in the private sector including trade associations, professional associations, and business firms or companies (commonly known as interest groups) are actively involved in all aspects of the public procurement system. Having various interests, objectives and beliefs, interest groups are involved in the public procurement system in several ways such as lobbying legislative bodies to pass or alter procurement statutes, influencing implementation of these statutes, and influencing budget authorization and appropriations processes. Normally, a government program that is eventually adopted is a compromise among different views of interest groups, policy makers and management. In this democratic environment, there

are cases of a strong coalition of policy makers, bureaucrats and interest groups in their effort to get their programs adopted.

According to De Boer and Telgen (1998), at the initial stage of inception of the public procurement many institutions are unable to able to comply because the officers concerned are unfamiliar with the regulations. Such challenges have been reported in Europe in a survey on implementation of EU procurements (Gelderman et al., 2006). The procurement procedures in Kenya involve a number of steps which must be followed to the latter. Given that the regulations are relatively new in Kenya there is a possibility that officers concerned are not familiar.

Eyaa and Oluka (2011) observe that, many board members in state corporations have little understanding of their role in the procurement process thus prone to manipulation. Charles & Oludele (2003) further asserts that most of the members are outright incompetent and simply acts as rubber stamps to decisions made elsewhere. In this context therefore Fisher (2004) suggests that implementation of procurement requirement is possible if various stakeholders understands their role. Public Procurement Oversight Authority (2007) agrees that low competency level among procurement staff is a major bottleneck to further improvement of the system. The report however argues that there are disparities across government institutions where some procuring units are highly competent and others in dire need of assistance.

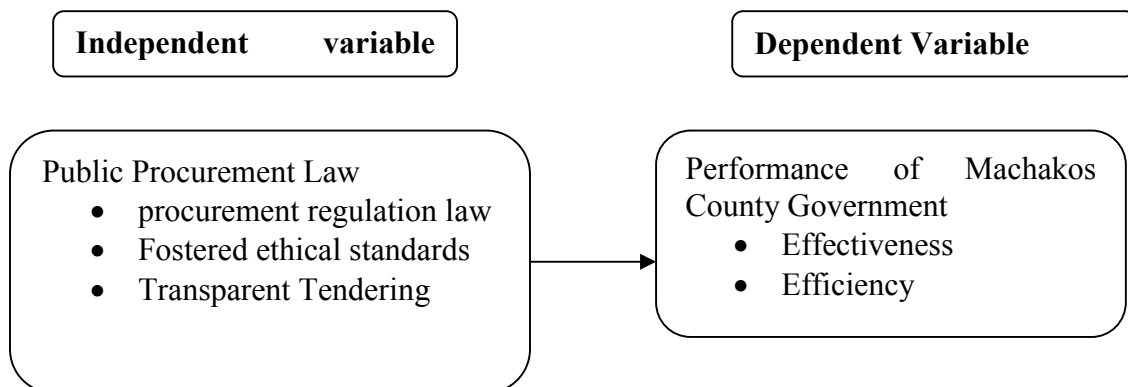
The Government Contracts Act provides that “public officers” cannot be sued personally upon any contracts which they make in that capacity.” The incentive for public officers to engage in corrupt procurement deals is thus quite strong. Second, procurement policies and procedures were scattered in various government documents. Thus, for example, it was difficult to comprehend the Financial Common corrupt practices in public procurement thus included public officers – often under the influence of powerful politicians and businessmen – only inviting preferred firms, favoring certain firms at the short-listing stage, designing tender documents to favor particular firms and releasing confidential information. This state of affairs was exacerbated by the fact that the procurement system was manned by junior officers, who were therefore powerless to



correct any anomalies and could easily be manipulated by their seniors and powerful politicians (Ahmed, Irfan, and Parasuraman, 1994).

According to Badenhorst (1994), a dishonest person in the purchasing department is in a position to demand or to receive personal enrichment or other personal advantages in return for granting a purchasing contract or placing an order, or for preferential treatment from the supplier. These personal advantages include, for example, gifts (both material and non-material), money in the form of kick-backs, and even bribes (Badenhorst, 1994). Badenhorst (1994) states that there are subtle areas where the purchaser may act unethically either consciously or subconsciously: the payment of fictive orders and invoices, double payment of invoices, the removal of information from computer records, dishonesty with tenders, e.g. making information known to a certain supplier so that he may submit the lowest tender, retaining credit notes for returned goods, purchasing larger amounts than needed, thus earning a kickback and knowingly purchasing products of poor, unusable quality.

## 2.5 Conceptual Framework



**Source: (Author, 2014)**

The relationship between public procurement law and performance of Machakos County Government. Improvements in the public procurement system can have a direct and beneficial effect on the overall economic situation of a country. Contract administration and appeals was hailed as a positive move, institutional capacity in procuring entities and procurement markets are the weakest. Expertise within procurement units despite efforts to develop a professional procurement workforce thus, compromising the efficiency of the procurement operations.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

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

### **3.2 Research Design**

The study adopted a case study research design because the unit of analysis is one County Government- Machakos. According to Bryman (2001), a case study involves a detailed and intensive analysis of a single case such as an organization, a community, a family amongst others. Case study research excels at bringing an understanding of a complex issue or object and can extend experience or add strength to what is already known through previous research. Case studies emphasize detailed contextual analysis of a limited number of events or conditions and their relationships. Case studies are preferred where an empirical investigation is carried out on current phenomena in its real context and multiple source evidences are used (Kothari, 2004).

### **3.3 Population of Study**

A population also known as a “universe” refers to all the items in the field of inquiry (Kumar, 2008). The population of study comprised of departments in Machakos County because of their direct involvement in procurement. Machakos County was the first county in Kenya to hold an investor’s forum hence it has been selected because of the many activities that are going on in a bid to transform the county. Also Machakos County is the hub of Konza techno polis project which has been in existence since 2008; hence a lot of procurement activities in various sectors have been ongoing. In this study, the sampling frame consist of eight various sectors that the county government is divided into. Available data from Machakos County government shows that there are 1871 employees working in the eight departments (machakosgovernment.com, 2013). This is distributed as shown in table 3.1 below.

**Table 3.1 Population of Study**

---

<b>Departments</b>	<b>Total</b>
labour, ICT and cooperative development	411
lands, energy, environment and natural resources	135
transport, roads, public works and housing	398
health and emergency services	301
trade, economic planning and industrialization	197
decentralized units, urban areas and municipalities	177
tourism, sports and culture	109
county treasury and revenue allocation	143
<b>Total</b>	<b>1871</b>

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### **3.4 Sampling Procedure**

The study used stratify the population into strata into various strata the. The study then used simple random sampling technique to select the respondents that would participate in the study. Simple random sampling ensured that every member of the population has an equal chance of being included in the study.

#### **3.4.1 Sample Size**

A sample is a proportion of the population selected by a researcher for the purposes of collecting data. According to Mugenda and Mugenda (2003), a sample of between 10%-30% is considered adequate for generalization of the findings to the whole population if the sample is well chosen. Following the high level of homogeneity among the target population, the study selected 10% of the sample size which is within the acceptable ranges according to Mugenda and Mugenda (2003).

This study used stratified random sampling to sample 187 respondents distributed as shown in the table 3.2 below.

**Table 3. 1: Sample Size**

<b>Departments</b>	<b>Total</b>	<b>Sample percent</b>	<b>Sample Size</b>
labour, ICT and cooperative development	411	10%	41
lands, energy, environment and natural resources	135	10%	13
transport, roads, public works and housing	398	10%	40
health and emergency services	301	10%	30
trade, economic planning and industrialization	197	10%	20
decentralized units, urban areas and municipalities	177	10%	18
tourism, sports and culture	109	10%	11
county treasury and revenue allocation	143	10%	14
<b>Total</b>	<b>1871</b>		<b>187</b>

### **3.5 Data Collection**

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

The pilot study was conducted to allow for pre-testing of the research instrument. The clarity of the instrument items to the respondents was established so as to enhance the instrument's validity and reliability. The result helped the researcher to correct

inconsistencies arising from the instruments, which ensured that they measure what is intended.

### **3.6 Validity and Reliability of Research instruments**

#### **3.6.1 Validity of Research Instruments**

According to Mugenda and Mugenda (1999), validity is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study. It is the degree to which a test measures what it is intended to measure; a test is valid for a particular purpose and for a particular group (Kothari, 2000). According to Berg and Gall (1989) validity is the degree by which the sample of test items represents the content the test is designed to measure. Content validity which was employed by this study as a measure of the degree to which data collected using a particular instrument represents a specific domain or content of a particular concept. Mugenda and Mugenda (1999) contend that the usual procedure in assessing the content validity of a measure is to use a professional or expert in a particular field.

#### **3.6.1 Reliability of Research Instruments**

According to Ngechu (2004) reliability refers to the consistency of measurement and is frequently assessed using the split-half test reliability method. Reliability is increased by including many similar items on a measure, by testing a diverse sample of individuals and by using uniform testing procedures.

The researcher selected a pilot group of five to six of the total of the target population so as to test the reliability of the research instrument. The target population for the study was 1871 employees in Machakos County. One of the advantages of conducting this piloting study is to give advice and warnings about where the main research project might fail. The aim was to correct inconsistencies arising from the instruments, which ensured that they measure what is intended. The survey instruments were subjected to overall reliability analysis. A coefficient of 0.70 or more implies that there is a high degree of data reliability.

### **3.7 Data Analysis**

Miller (1991) notes that in order to analyze collected data, a researcher needs to have the following information about the statistical data analysis tools namely: descriptive, inferential and test statistics. The completed questionnaires were checked for completeness to ensure consistency. The data was then coded to enable the responses to be grouped into various categories.

Quantitative data collected was analyzed by the use of descriptive statistics using SPSS and presented through percentages, means, standard deviations and frequencies. The information was displayed by use of tables. This was done by tallying up responses, computing percentages of variations in response as well as describing and interpreting the data in line with the study objectives and assumptions through use of statistical package for social sciences (SPSS, V.21.0) to determine the impact of the public procurement regulation law on procurement performance of Machakos County Government.. Mugenda and Mugenda (1999), explains that SPSS is a comprehensive, integrated collection of computer programme for managing, analyzing and displaying data. The qualitative data was coded thematically and then analyzed

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

### **4.1 Introduction**

This chapter presents the results of the findings from the study. The findings are presented in charts, graphs and tables.

### **4.2 General Information**

The study targeted 187 respondents. Out of the 187 questionnaires that were distributed, only 127 were filled and returned. This translated to a response rate of 68%. Mugenda and Mugenda (2003) assert that for a response rate to be statistically significant for analysis, it needs to be at least 50%.

The respondents who were male were 61% while the females were 39%. The study involved both males and females although the majority of the respondents were male. The respondents who listed that they college diplomas and certificates were 35%, 24% had bachelors' degree and 41% had other qualifications. Those who said they had other qualifications said they had masters degrees and others doctorate degrees. Other qualifications that were listed included professional qualifications such as ACCA, CPA and management courses. The involvement of respondents with various academic qualifications brought about different levels of expertise in the study.

The respondents were asked the position they held in the county governments. Among the listed positions were the head of procurement in the county, procurement officers, accounts clerks, finance officers, administrative assistants, project coordinators, economists, mobilization officers, and support staff.

### **4.3 The Public Procurement Law**

The respondents were asked to rate using the scale of 1-5 where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree to which they agreed with the following statements on the impact of the procurement law on procurement performance in Machakos County. Table 4.3 shows the analysis of the responses

**Table 4.1: Impact of Public Procurement Law**

	<b>Mean</b>	<b>Std.Dev</b>
Public procurement regulation law has improved the capacity of staff involved in procurement processes	4.522	0.321
Public procurement regulation law has improved utilization of funds in the County Government operations.	4.344	0.411
Public procurement regulation law has increased the level of transparency among Government offices	4.216	0.145
Public procurement regulation law has encouraged competitive procurement at the County	4.021	0.635
Public procurement regulation law has improved the quality of projects undertaken by the County Government	4.012	0.521
Public procurement regulation law has reduced the speed with which goods and services are procured	3.985	0.213
Public procurement regulation law has provided room for procurement dispute resolution at the County	3.982	0.624
Public procurement regulation law has fostered ethical standards in the procurement processes at the County Government	3.652	0.872

The research strongly agreed that, public procurement regulation law has improved the capacity of staff involved in procurement processes with a mean of 4.522. Jeppesen (2010) asserts that transparency and accountability of the systems has enabled governments and citizens to engage in a mutually responsive way, reducing the danger of increased unethical practices and misuse of funds. The respondents also agreed that public procurement regulation law has improved utilization of funds in the County Government operations with a mean of 4.344 and also on whether public procurement law has increased the level of transparency among Government offices, the respondents agreed with a mean of 4.216. One of the benefits of the law is that it promotes accountability and transparency in the organization. Accountability constitutes a central pillar of any public procurement system (Jeppesen, 2010). Public procurement law has encouraged competitive procurement at the County with a mean of 4.021. According to Nyeko *et al*, (2011), a good procurement cycle encouraged competition among suppliers, professionalism, good business ethics and non-discrimination in public procurement. On whether public procurement law has improved the quality of projects undertaken by the County Government, the respondents agreed with a mean of 4.012 and also agreed that public procurement regulation law has provided room for procurement



dispute resolution at the County with a means of 3.982. According to the PPOA (2007) one of the greatest challenges it aims to address is the timeliness of fulfillment; and the quality of the goods acquired. Whether public procurement law has reduced the speed with which goods and services are procured, the respondents agreed with a mean of 3.985. These findings are consistent with those of by Basheka and Tumutegyereize (2010) who state that in most countries procurement of goods, services and works required by government departments consumes a considerable amount of time and other resources due to the numerous procedures to be followed.. The respondents also agreed that the public procurement regulation law has fostered ethical standards in the procurement processes at the County Government with a mean of 3.652.

#### 4.3.1 Challenges of Public Procurement Regulation Law

The respondents were asked to rate the following statements using the scale of 1-5 where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree on challenges of the procurement law. Table 4.7 shows the responses shows the responses of the responses.

**Table 4.2: Challenges of Public Procurement Regulation Law**

	<b>Mean</b>	<b>Std. Dev</b>
Technical expertise of the procurement staff has affected procurement processes at the County	4.521	0.682
Limited knowledge of procurement laws among stakeholders has affected procurement processes in the county	4.254	0.699
Procurement corruption has affected procurement processes at the County	4.231	0.421
Dishonest among procurement officers has affected procurement processes at the County	4.102	0.821
Lack of transparency and accountability have affected procurement processes at the County	4.011	0.324
Political forces have affected procurement processes at the County	3.985	0.114
Public Procurement procedures in Kenya have affected procurement processes in Machakos county	3.822	0.411
Unethical practices in public procurement have affected procurement processes at the County	3.642	0.152

On whether technical expertise of the procurement staff has affected procurement processes at the County of Machakos, the respondents strongly agreed with a mean of 4.521. The PPOA (2007) report indicated that lack of transparency and accountability, was one of the major unethical practices in the public procurement process. The research too agreed that limited knowledge of procurement laws among stakeholders has affected procurement processes in the county with a mean of 4.254. Lack of knowledge on the required procedures, laws and practices was also a major challenge that was faced by the procurement processes in the organizations (Pidaparathi, 2006). The respondents also agreed that dishonest among procurement officers has affected procurement processes at the County with a mean of 4.102. These findings are consistent with those of the PPOA (2007) report that cited lack of integrity and professionalism in the procurement process.

Asked whether lack of transparency and accountability have affected procurement processes at the County, the respondents agreed with a mean of 4.011 and also agreed that procurement corruption has affected procurement processes at the County with a mean of 4.231. Asked whether public procurement procedures in Kenya have affected procurement processes in the county of Machakos, the respondents agreed with a mean of 3.822. Asked whether political forces have affected procurement processes at the County the respondents agreed with a mean of 3.985 and also agreed that unethical practices in public procurement have affected procurement processes at the County with a mean of 3.642. According to the GOK (2004) public procurement has been nothing but unclean and has faced a number of unethical issues. Public procurement practitioners have always faced challenges imposed upon by a variety of environment factors including political forces interfering in the government procurement process (PPOA, 2007).

#### **4.4 Public Procurement Performance**

The study sought to establish the factors affecting public procurement processes. The responses are shown in table 4.5 shows the responses of the respondents.

**Table 4.3: Factors Affecting Public Procurement Processes**

Internal operating procedures within the County Government	4.658	0.146
The expenses involved in the procurement process	4.521	0.354
The political influence	4.342	0.347
The steps involved in the procurement process	4.331	0.265
The procurement related disputes	4.228	0.964
The level of ICT adoption within the County	4.111	0.385
The culture within the County Government	4.089	0.154
Duration taken to complete the procurement process	4.023	0.001
The amount of projects undertaken by the County Government	4.015	0.332
The level of top management involvement	4.014	0.482
The value of the Contract	3.985	0.456
Influence of other stakeholders	3.887	0.632
Technicality of the goods being sourced	3.657	0.442

The respondents strongly agreed that internal operating procedures within the County Government affect performance with a mean of 4.658. Research studies mention factors such as accountability ICT adoption, internal operating procedures and internal control system as likely factors to impede or promote the management of the procurement function in the public sector (Ngugi and Mugo, 2010). Asked whether the expenses involved in the procurement process were a challenge the respondents strongly agreed with a mean of 4.521 and also agreed that the steps involved in the procurement process also affected the process with a mean of 4.331. Duration taken is one of the factors that influence effectiveness of tendering process in Public Sector and if not well managed it was very costly to the company (GOK, 2004). On whether the Duration taken to complete the procurement process affected the process the respondents agreed with a mean of 4.023 On whether the procurement related disputes affects procurement performance, the respondents agreed with a mean of 4.228 and also agreed that the amount of projects undertaken by the County Government affects the process with a mean of 4.015. Asked whether the value of the Contract and the level of top management involvement are affecting the process the respondents agreed with a mean of 3.985 and 4.014 respectively. The respondents also agreed that political influence, the culture within the County

Government and the Influence of other stakeholders are challenges with means of 4.342, 4.089 and 3.887 respectively. Lisa (2010) asserts that, culture plays a central role in the compliance process and associated outcomes. Asked whether technicality of the goods being sourced is a challenge the respondents agreed with a mean of 3.657 and also agreed that the level of ICT adoption within the County with a mean of 4.111.

#### 4.5.1 Procurement Performance

The study sought to establish to what extent public procurement law affected procurement performance in Machakos County. The respondents used the scale of 1-5 where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree. The table 4.6 shows the responses of the respondents.

**Table 4.4: Procurement Performance**

<b>Procurement Performance</b>	<b>Mean</b>	<b>Std. Dev</b>
Product Price Variance: Competitive Prices Paid for Focus Products	4.321	0.654
Effective Contract Utilization: Efficient Procurement Mechanisms Being Used	4.31	0.599
Expiration Management: Can Product Expiration be reduced through Good Procurement Practices	4.221	0.521
Supplier Performance: Are Suppliers Delivering the Right Goods at the Right Time	4.155	0.521
Procurement Cycle Time: Are There any Delays in the Procurement Cycle	4.111	0.424
Payment Processing Time: Are There any Delays in Processing Payments	4.085	0.414
Emergency Procurement: Are Emergency Orders Frequently Used to Prevent Stockouts	3.922	0.511
Procurement Cost: Is the Procurement Unit Operating Efficiently	3.902	0.252

From the research findings respondents strongly agree on the statements that, Product Price Variance m=4.321, Effective Contract Utilization m=4.31, Expiration Management m= 4.221, Supplier Performance m= 4.155, Procurement Cycle Time m= 4.111, Payment Processing Time m= 4.085, Emergency Procurement m= 3.922 and Procurement Cost with a mean score of 3.902.

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

### **5.1 Introduction**

This chapter presents the discussions of the findings, conclusion drawn from the findings and the recommendation made for the study.

### **5.2 Summary of the findings**

The study established that the public procurement regulation law has reduced the speed with which goods and services are procured. It also established that public procurement regulation law has increased the level of transparency among Government offices. Findings also established that the public procurement regulation law has improved utilization of funds in the County Government operations. It has also improved the capacity of the staff involved in procurement processes. The study also revealed that the public procurement regulation law has improved the quality of projects undertaken by the County Government and that public procurement regulation law has provided room for procurement dispute resolution at the County.

On the factors affecting the procurement process, the study established that the duration taken to complete the procurement process affects the process and also established that the steps involved in the procurement process also affected the process. The study also established that the expenses involved in the procurement process were a factor affecting the process. The study also established that technicality of the goods being sourced affects the process and that the level of ICT adoption within the County also affects the procurement process. The findings also establish that internal operating procedures affect the procurement process.

The study established that political forces have affected procurement processes at the County and that unethical practices in public procurement have also affected procurement processes at the County with a mean of 3.642. The study also established that the lack of transparency and accountability have affected procurement processes at the County . Procurement corruption has affected procurement processes at the County. The findings

also show that technical expertise of the procurement staff has affected procurement processes at the County. The findings also revealed that dishonest among procurement officers has affected procurement processes at the County.

### **5.3 Conclusions**

The study concludes that the public procurement law has a great impact on the procurement performance at the Machakos County. The study concludes that the law has reduced the speed with which goods and services are procured, increased the level of transparency among Government offices, improved utilization of funds in the County Government operations and improved utilization of funds in the County Government operations.

The study also concludes that there are various factors that are affecting the procurement process in Machakos County. The study concludes that the duration taken to complete the process, steps involved, amount of projects undertaken, value of the contract and the top management involvement affect the procurement process. The study also establish that the culture within the county government, level of ICT adoption and the internal operating procedures were factors affecting the procurement procedures.

On the challenges of law the study concludes that there are challenges being faced in the procurement processes and affects the performance of the process in the county to a great extent. The study concludes that political forces interference, unethical practices, lack of technical expertise, corruption levels and dishonesty are challenges being faced by the county government.

### **5.4 Recommendations**

The study established that a major challenge facing the county in procurement was corruption. The study therefore recommends that the county government comes up with strategies that will enforce stricter penalties on officers found to have engaged in corruption. This will discourage procurement officers from engaging in corruption due to fear of the punishment.

The study established that the lack of technical expertise among the employees at the county. This study therefore recommends that the county government organizes employee trainings and workshops to train them on technical skills. This will increase their expertise and thus contribute greatly to the efficiency in the procurement process.

The study also recommends that the county appoints a procurement oversight committee that will see implementation of the procurement law and county policies on procurement. This will increase the level of accountability, efficiency and efficient management in county government procurement.

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

The research was constrained by several factors that might have affected the results as well as the scope. Time was a major constraint, making it difficult to obtain more than three (15) responses from each of the ten (8) departments in the county government of machakos.

Due to the numerous procurement related cases before the anti corruption commission, some of the decision makers especially in the procurement department refused to fill up our questionnaire treating the exercise with a lot of suspicion.

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

This study concentrated on the factors, challenges and impact of the procurement regulation law in Machakos County. This study therefore recommends that in the future a study be conducted across all counties. This will enable the generalization of the findings across the country.

This study also recommends that in the future a study be conducted on the effectiveness of the procurement management adopted by the county governments across the country. This will ensure that the procurement practices adopted by the county government are effective in managing the procurement processes in the county.

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## APPENDICES

### Appendix I: Research Question

#### Section A: Demographic Information

1. What is your gender?  
     Female     Male
  
2. Your age bracket (Tick whichever appropriate)  
     18 – 27 Years                          28 - 37 years                        
     38 – 47 years                          Over 48 years
  
3. What is your highest education level? (Tick as applicable)  
     College                          Bachelors’ degree                        
     Others-specify.....
  
- Years of service/working period with Government offices (Tick as applicable)  
     Less than 1 year                                            6-10 years                        
     1-5 years                                            Over 10 years
  
4. Please indicate your position in the County Government \_\_\_\_\_

#### Section B: public procurement regulation law on procurement performance

5. Below are several statements on the impact of public procurement regulation law on procurement performance. Kindly indicate the extent to which these statements apply to Machakos County Government Performance. Use a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree.

	1	2	3	4	5
public procurement regulation law has reduced the speed with which goods and services are procured					
public procurement regulation law has increased the level of transparency among Government offices					
Public procurement regulation law has improved utilization of funds in the County Government operations.					
public procurement regulation law has improved the capacity of staff involved in procurement processes					
public procurement regulation law has improved the quality of projects undertaken by the County Government					
public procurement regulation law has provided room for procurement dispute resolution at the County					
public procurement regulation law has fostered ethical standards in the procurement processes at the County Government					
public procurement regulation law has encouraged competitive					

procurement at the County					
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6. Below are several challenges of public procurement regulation law. Kindly indicate the extent to which these challenges of public procurement regulation law affect procurement performance at the County of Machakos. Use a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree.

	1	2	3	4	5
Political forces have affected procurement processes at the County					
unethical practices in public procurement have affected procurement processes at the County					
lack of transparency and accountability have affected procurement processes at the County					
procurement corruption has affected procurement processes at the County					
Technical expertise of the procurement staff has affected procurement processes at the County					
procurement procedures in Kenya have affected procurement procedures in Kenya					
Limited knowledge of procurement laws among stakeholders has affected procurement processes in the county					
Dishonest among procurement officers has affected procurement processes at the County					

### Section C: Procurement Performance of County Governments in Kenya

7. The first question in this section sought to establish factors affecting public procurement performance.

<b>Procurement Performance</b>	1	2	3	4	5
Effective Contract Utilization: Efficient Procurement Mechanisms Being Used					
Product Price Variance: Competitive Prices Paid for Focus Products					
Expiration Management: Can Product Expiration be reduced through Good Procurement Practices					
Supplier Performance: Are Suppliers Delivering the Right Goods at the Right Time					
Procurement Cycle Time: Are There any Delays in the Procurement Cycle					
Payment Processing Time: Are There any Delays in Processing Payments					

Emergency Procurement: Are Emergency Orders Frequently Used to Prevent Stock outs					
Procurement Cost: Is the Procurement Unit Operating Efficiently					
Staff Training: Is a Funded, Operational Training Program in Place that Provides Staff with Appropriate Training to Maintain or Upgrade their Procurement Skills					
Transparent Price Information: Procurement Prices Available to the Public					
Transparent Tendering: Are Procurement Methods Being Used that Promote Competition					
Effective Contract Utilization: Efficient Procurement Mechanisms Being Used					

### Challenges of Public Procurement Regulation Law

8. The respondents were asked to rate the extent to which Machakos County faces the following challenges of the procurement law. Table 4.7 shows the responses.

	1	2	3	4	5
Technical expertise of the procurement staff has affected procurement processes at the County					
Limited knowledge of procurement laws among stakeholders has affected procurement processes in the county					
Procurement corruption has affected procurement processes at the County					
Dishonest among procurement officers has affected procurement processes at the County					
Lack of transparency and accountability have affected procurement processes at the County					
Political forces have affected procurement processes at the County					
Public Procurement procedures in Kenya have affected procurement processes in Machakos county					
Unethical practices in public procurement have affected procurement processes at the County					

9. Kindly indicate the extent to which these factors affect procurement performance at the County of Machakos. Use a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree.

	1	2	3	4	5
Duration taken to complete the procurement process					
The steps involved in the procurement process					
The expenses involved in the procurement process					
The procurement relates disputes					
The amount of projects undertaken by the County Government					
The value of the Contract					
The level of top management involvement					
The political influence					
The culture within the County Government					
Influence of other stakeholders					
Technicality of the goods being sourced					
The level of ICT adoption within the County					
Internal operating procedures within the County Government					