

**PROCUREMENT PLANNING STRATEGY AND
SERVICE DELIVERY: A CASE OF MEDECINS SANS
FRONTIERES, KENYA SUPPLY UNIT**

BY

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DECLARATION

I, the undersigned, declare that this research project is my original work and has not been submitted to any other college, institution or University other than the University of Nairobi.

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Date.....

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D61/60581/2013

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

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DEDICATION

This is a dedication to my Dad, Wilson K. Nderi, Mum, Agnes W. Nderi and siblings John Nderi and Ellah Nderi for being so supportive and cheering me on during my studies. I am deeply thankful to God for you.

ACKNOWLEDGEMENT

I would like to thank University of Nairobi Postgraduate School of Business for the continued support and opportunities to study. I would also like to thank Mrs Zipporah Kiruthu for her academic guidance throughout the project.

I extend my gratitude to my amazing family, friends and colleagues for their support that made it easy for me to manage tight schedules with a smile.

ABSTRACT

Procurement as a field in business has attracted interest in the recent decades as it is now seen as an area that gives competitive edge to organizations by offering value for money and cost focus strategy in competing against market players. There has also been increased awareness by customers on service delivery offered to them by organizations. They now relentlessly demand for great customer service as part of their value for money spent.

The up rise of service delivery has led organizations to check all areas of operations for ways to better serve the clients and retain them. Numerous studies have been done and procurement planning has emerged as one of the areas that have immense potential to contribute to great service delivery. Current studies indicate a relationship between procurement planning strategy and service delivery. The extent to which procurement planning is done considering the factors of service delivery has a direct impact on how service is offered to clients. The focus of this study is to establish the relationship between procurement planning and service delivery by finding out the extent to which procurement planning strategies has on service delivery.

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ABBREVIATIONS AND ACRONYMS

KSU-	Kenya Supply Unit
MSF -	Medecins Sans Frontieres
PPDA –	Public Procurement and Disposal Act (2005)
PPM –	Procurement Policy Manual

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Procurement methods and procedures are the guidelines for or means of acquisition of appropriate goods and or services at the best possible cost to meet the needs of the organization in terms of quality, quantity, time and location (Kovacs, 2004). Procurement planning is a purchasing function through which organization obtain products and services from external suppliers. Procurement process is a fundamental function that impacts on effective or ineffective service delivery. There is no part of local government where service delivery does not depend on procurement of goods, services and works and yet the area remains a neglected field of research Economic commission of Africa (2003).

By the late 1990s the failure of the existing procurement systems to cope with the expansion in government procurement requirements and to deliver value for money had become generally accepted among government and private agencies. Many developing countries have increasingly realized that a well-organized procurement system contributes to good governance, by increasing confidence that public funds are well spent. The importance of procurement reform in almost all country's settings can be demonstrated based on its scale and role in terms of service delivery, the amount of money wasted by existing practices, reduced competition, higher prices due to market perceptions of risk, as well as the demonstrated ability of countries to capture enormous savings through concerted efforts to strengthen their procurement function, Helmsing (1995).

Public procurement audits performed in Kenya Government in the 90's disclosed grave shortcomings such as inefficiencies and lack of transparency in procurement procedures. The Kenyan Government and the World Bank looked into the issues and borrowed better practices from all over the world which led to the formation of Public procurement and Disposal act 2005. The bill aims to reduce delay in procurement process and to strengthen professionalism in public procurement so as to increase public confidence and service delivery (The Public Procurement & Disposal act 2005)

1.1.1 Procurement Planning Strategy

Van Wheel (2005) defines procurement planning as the process of determining the procurement needs and the timing of their acquisition and funding such that the entire operations are met as required in an efficient way.

The contribution of procurement planning in facilitating an efficient and effective service delivery in organizations is generally undisputed in both developed and developing countries. According to Mullins (2003) there exists a significant positive relationship between procurement planning and service delivery in procurement systems. These results are compared to international research findings, and suggestions are offered for management, policy making, and future research.

Procurement planning drives different expected results which are different from business as usual such as; reduction in the number of overall contract awards, understanding and managing total cost of ownership, more purchasing options (lease vs. buy), data-driven decision making, improved risk mitigation prior to award, more identification of opportunities where suppliers can add value, improved relationships

with suppliers which leads to improved service delivery. Procurement Policy Manual (2009). Mawhood (1983) further adds that effective procurement planning is an important route towards securing the right service to be delivered to the clients, and also maximizing the level of service provision which can be achieved. A procurement plan helps Procuring entities to achieve maximum value for expenditures on services to be delivered and enables the entities to identify and address all relevant issues pertaining to a particular procurement before they publicize their procurement notices to potential suppliers of goods, works and services.

Procurement process is a fundamental function that impacts on effective of 'ineffective' service delivery. There is no part of local government service delivery that does not depend on procurement of goods, service and works; and yet the area remains a neglected field of research (Oboth, 2001). Procurement planning thus defines the need, estimates the cost or actual costs through current supply arrangements and evaluates timeframes for delivery. This is done through correct need assessment, followed by identification of potential service providers through market assessment, complexity of purchase is defined, availability , of goods/services, capability of suppliers, availability of alternatives, number of suppliers and scope of contract. The primary concept of procurement is that advanced planning, scheduling and bulk purchasing result in cost savings, efficient business operation, increased value for money and consequently good service delivery is achieved. Procurement planning allows an agency to link its procurement objectives to service delivery objectives and identify ways of improving how it purchases to meet its future needs.

1.1.2 Service delivery

Service delivery is a system or arrangement of periodical performance of supplying requester's needs. It is a deliberate obligatory decision by the elected or appointed officials to serve or deliver goods and services to the recipients. Service delivery framework is the context in which a service provider's capabilities are arranged into services. It is a set of principles, standards, policies and constraints used to guide the design, development, deployment, operation and retirement of services delivered by a service provider with a view to offering a consistent service experience to a specific user community in a specific business context. Helmsing, (1995). The indicators of service delivery include but not limited to reliability, tangibility, responsiveness, accessibility, and empathy (Parasuram et al, 1985).

Services that are not accessible are regarded as being of poor quality and those that can be easily accessible are regarded as high quality services. Failure to have access to the use of facilities makes the service delivery poor. This is the probability of a service falling within a specified time period and place Ssemayengo, (2005). Among the common measures of reliability are the average time to first failure, the average time between failures, and the failure rate per unit time Balunywa, (1998). For a service to be perceived as good service, it should contain all the features that satisfy the customers' expectation. Service should have all its primary operating characteristics with all the measurable attributes so as to be ranked as high service.

Delay in service delivery will make the services to lose the meaning and hence a service should be offered in time before it becomes irritating to the consumer. Services which are delivered in time are said to be good service and those that are not

delivered in time are said to have poor service. This is the degree to which a service design and operating characteristics meet established standards. Good service is therefore equated with operation within a tolerance degree. If the service performs as expected and intended it will be considered good service offered. Balunywa, (1998).

1.1.3 Procurement Planning and Service Delivery

Procurement planning is one of the primary functions of procurement with a potential to contribute to the success of local government operations and improved service delivery. Without adequate attention to planning government procurements, the respective procuring agencies will only be left with ad hoc procurement systems which cannot in most cases translate into value for money and will thus affect service delivery. Procurement planning can also help in consolidation of similar procurement requests from different requesters into bigger tender allowing wider competition, time saving and considerable lower prices. (Basheka, 2009).

A study on procurement strategies adopted by oil companies in Kenya, (Kamuru Angela, 2014), concludes that corruption, lack of a strategic procurement plan and poor technologies were the main impediments towards attaining competitiveness among oil companies in Kenya. Procurement planning is a process whereby procurement practitioners sketch out in advance a plan as to what, which, when and how purchases are to be conducted in a given period. This plan considers what is to be procured (goods, works or services), which method of procurement to be used based on regulated thresholds, and when and how the processing steps will be conducted.

Procurement planning drives different expected results which are different from business as usual such as; reduction in the number of overall contract awards, understanding and managing total cost of ownership, more purchasing options (lease vs. buy) , data-driven decision making, improved risk mitigation prior to award, more identification of opportunities where suppliers can add value, improved relationships with suppliers which leads to improved service delivery(Procurement Policy Manual 2009). Procurement plans therefore saves time and money, serves as a conduit to achieving organization's objectives, ensures compliance with regulatory policies and provides a framework to guide procurement officers in the achievement of their tasks and duties. Thus, procurement plan leads to efficient and effective provision of service delivery by proactively anticipating demand and formulating ways of meeting expectations of clients. In this regard, procurement planning or lack of it has a direct effect on service delivery offered.

1.1.4 Medecins Sans Frontieres - MSF

MSF is an international medical organization that delivers emergency medical aid to populations affected by conflict, epidemics, disasters or exclusion from medical care. MSF charter, (1993).The operations and resources needed are largely affected by the kind of medical attention needed and location of need. MSF – Kenya Supply Unit, which will be the case study for this research, is a supply unit that offers service in procurement, warehousing, transport, clearing and forwarding to its clients. The clients are the MSF projects and field offices that are in direct contact with the communities in need receiving medical attention in East and Central Africa. Due to the nature of MSF operations, it is a challenge to forecast demand in totality and subsequently have procurement plans for all needs established in advance. There are

other non-governmental organisations that offer medical assistance to populations in need such as, Marie Stopes, USAID, Save the children, Red Cross, Amref, Medair among others.

Before recent creation of the Kenya supply Unit that does regional group purchases, all MSF projects were purchasing what they required on their own. It was difficult for the personnel in the projects to concentrate on their core functions (offering medical assistance) as well as plan for their needs and do the actual purchasing (MSF-Kenya Supply Unit, service level agreement, 2014). The project offices mostly has medical personnel with limited procurement or supply chain knowledge, which led to procedures not being followed, forecasts of demand not being done and major stock outs. This resulted to poor service to the communities since the impact of medical aid was not adequately addressed to those in need.

This led to a decision of creation of a centralized supply unit that would be in charge of procurement, warehousing and transport; hence Kenya Supply Unit was formed. The main reason for having KSU, is so that procurement activities are well forecasted, planned and budgeted for well in advance so as to ensure the clients in the projects have what they need, when they need it. Since KSU's inception, there has been a great deal of improvement in terms of service delivery to clients, who in turn have been able to reach more communities in need.

1.2 Research Problem

The primary essence of having a procurement plan is to ensure that due process of procurement is rightfully followed in order to fulfil a need of goods, services or works

in an efficient and transparent manner dutifully so as to offer the five rights of procurement. Right quality, right quantity, right time, right price and right source.

Lack of procurement planning in government financed procurements has led to, weaknesses in the advertisement of tenders, non-compliance of contract award procedures and weak complaints and administrative review process. One of the most critical issues in the current practice is the lack of procurement planning in government financed projects. Procurement planning is essential for public procurement to achieve one of its major goals of providing value for money and offering service to taxpayers. Tanzania country procurement assessment report (2003)

Studies relating to procurement planning and service delivery have recently been done as follows, Effects of operational management practices on the procurement of pharmaceutical products in developing countries: A case of Kenya Medical Supplies Agency (Osembe, 2005). Perceived effectiveness of performance contracts on service delivery at the ministry of immigration and regulation of births (Gitonga, 2007). Challenges in the management of procurement process within Kenya Rural Roads (Budi, 2012). The incorporation of green purchasing as a best practice in procurement of in-flights products at Kenya Airways Limited (Munene, 2012). Procurement Planning and service delivery in State Corporation in Kenya (Rono, 2013).

These studies identified key issues with Kenya's procurement procedures; weak oversight institutions, poor linkages between procurements and expenditures, delays, inefficiencies and poor records management. Without adequate attention to planning government procurements, the respective procuring agencies will only be left with ad

hoc procurement systems which cannot in most cases translate into value for money and will thus affect service delivery. Despite this importance, very limited scientific research has been done to examine the extent to which efforts in procurement planning can contribute to effective local governance. Basheka, (2009). Among all areas of research carried out, none focused on the relationship between procurement planning and service delivery in humanitarian context. This study is intended to bridge the knowledge gap and determine the relationship between procurement planning and service delivery in reference to Medecins Sans Frontieres, Kenya Supply Unit.

Pressure is growing significantly on procurement function to work with budget cuts, expectations from development partners and donors to be accountable in resources utilization as well as adoption of IT and internet use has made stakeholders and clients aware of world class philosophies and cheapest sources of products. In MSF, the emergency context in which the operations are conducted in, leaves procurement planning a major challenge in planning as needs arise differently all the time. Therefore this study seeks to answer the questions, what is the relationship between procurement planning strategy and service delivery and the extent to which procurement planning is undertaken by Medecins Sans Frontieres.

1.3 Research Objectives

1. To establish procurement planning strategies adopted by Medecins Sans Frontieres.
2. To determine the relationship between procurement planning strategy and service delivery.

1.4 Value of the Study

The study will be of value to academicians and researcher who would like to further knowledge in the area of relationship of procurement planning and service delivery. The findings of this study will act as a guideline and a reference point for future scholars besides suggesting other areas for further research.

The study will also benefit the procurement personnel team of KSU by equipping them with knowledge on the relationship between procurement planning and service delivery as well as the impact of procurement planning on service delivery. The findings will be used the team to use procurement planning and maximize service delivery.

Through the findings of this study, the clients will be able to appreciate and better understand their role in managing their needs and how their needs can be integrated into a procurement plan to offer them better service delivery. The study will also be valuable to the management of MSF- KSU, humanitarian agencies, Government and policy makers in institutions by helping them in formulating policies on procurement planning and service delivery, provide advice and reference.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the literature review on the relationship between procurement planning and service delivery as well as the impact of procurement planning on service delivery. The chapter has sub topics on procurement planning, service delivery, relationship between procurement planning and service delivery as well as the impact of procurement planning on service delivery.

2.1.1 Institutional Theory

Institutions are composed of cultural-cognitive and regulatory elements that together with associated events and resources give meaning to life. The three pillars of institutions are regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as enforcement mechanism, with expedience as basis for compliance. The normative pillar refers to norms how things should be done and values that are preferred or desirable, social obligation being the basis of compliance. The cultural-cognitive pillar rests on shared understanding as common beliefs and symbols (Scott, 2004).

The institutional theory reflects directly on how institutions operate. In this case, the regulatory pillar emphasizes on having procurement among other functions of the institutions that creates and implements rules, set procedures and laws. This means also adherence to set standards by the government on policies in procurement

procedures. The normative pillar outlines what is desirable in procurement in relation to its function and effect on service delivery. The cultural cognitive pillar rests on expectations and beliefs of people being served with a focus on how they expect to be served.

2.1.2 Social-economic Theory

(Sutinen and Kuperan, 1999) propounded the social-economic theory of compliance by integrating economic theory with theories from psychology and sociology to account for moral obligation and social influence as determinants of individuals' decisions on compliance. It is perceived as a moral obligation for a government and or any other institution serving persons to offer proper service as is expected. Thus planning on their part plays a big part in influencing their obligation to persons they serve. This study will look into the perspective of procurement planning in line with moral obligation to offer expected service delivery. There is social influence on both procurement planning and service delivery expected and their relationship based on local and international markets.

2.2 Procurement Planning

Procurement planning is the process used by companies or public institutions to plan purchasing activity for a specific period of time. This is commonly completed during the budgeting process. Each year, departments are required to budget for staff, expenses, and purchases. This is the first step in the procurement planning process, Agaba& Shipman, (2007).

Procurement planning is the purchasing function plan through which an organization obtains products and services from external suppliers. Economic Commission of Africa (2003) A good procurement plan will go one step further by describing the process of appointing those suppliers contractually. Whether you are embarking on a project procurement or organizational procurement planning exercise, the steps will be the same. First, define the items you need to procure. Next, define the process for acquiring those items. And finally, schedule the timeframes for delivery. Procurement is thus one part of the commissioning process. It refers to a specific method of purchasing services which involves tendering for a contract or a one off agreement (Lewis and Roehrich, 2009).

Procurement Policy Manual (2009), procurement planning drives different expected results which are different from business as usual such as; reduction in the number of overall contract awards, understanding and managing total cost of ownership, more purchasing options (lease vs. buy) , data-driven decision making, improved risk mitigation prior to award, more identification of opportunities where suppliers can add value, improved relationships with suppliers which leads to improved service delivery. Mawhood (1983) further adds that effective procurement planning is an important route towards securing the right service to be delivered to the clients, and also maximizing the level of service provision which can be achieved. A procurement plan helps Procuring entities to achieve maximum value for expenditures on services to be delivered and enables the entities to identify and address all relevant issues pertaining to a particular procurement before they publicize their procurement notices to potential suppliers of goods, works and services.

Lack of procurement planning in government financed tenders has led to, weaknesses in the advertisement of tenders, non-compliance of contract award procedures and weak complaints and administrative review process. One of the most critical issues in the current practice is the lack of procurement planning in government financed projects. Procurement planning is essential for public procurement to achieve one of its major goals of providing value for money and offering service to taxpayers. Tanzania country procurement assessment report (2003).

Planning and co-ordination of procurement will provide the opportunity to establish a framework for cost minimisation and certainty of delivery. The success of the project will be enhanced if people with relevant knowledge and skills are involved at the beginning and throughout all processes for instance internal customers, solicitors and commercial and technical experts. Ministry of Finance, Republica Democratica de Timor Leste, (2009) The contribution of procurement planning in facilitating an efficient and effective service delivery in organizations is generally undisputed in both developed and developing countries Mullins (2003).

Concept of procurement is that advanced planning, scheduling and group buying will result in cost savings, more efficient business operation and increased profitability. Group buying is the process of combining the total resource requirements for different departments and creating one purchase order. This practice is increasingly common in government and public sector firms where the same item can be purchase for a range of different institutions (Caldwell, Roehrich and Davies, 2009).

2.3 Service Delivery

Service is a system or arrangement that supplies requester's needs. Therefore service delivery is a system or arrangement of periodical performance of supplying requester's needs Oboth, (2001). It is a deliberate obligatory decision by the elected or appointed officials to serve or deliver goods and services to the recipients as intended Helmsing, (1995). Service delivery is an attitudinal or dispositional sense, referring to the internationalization of even service values and norms. Customer care involves putting systems in place to maximise your customer's satisfaction with your business Heskett, (1987). The indicators of service delivery include reliability, tangibility, responsiveness, accessibility, and empathy (Parasuram, 1985)

Failure to have access to the use of facilities will render some limited services since they are not used optimally and yet services depends on the use of the facilities Services that are not accessible are regarded as being of poor quality and those that can be easily accessible are regarded as high quality services This is the probability of a service falling within a specified time period. Among the common measures of reliability are the average time to first failure, the average time between failures, and the failure rate per unit time (Ssemayengo, 2005) .For a service to be perceived as service, it should contain all the features that satisfy the customers' expectation It should have all its primary operating characteristics with all the measurable attributes so as to be ranked as high service (Balunywa, 1998).

Delay in service delivery will make the services to lose the meaning and hence a service should be offered in time before it becomes irritating to the consumer. Services which are delivered in time are said to of good service and those that are not delivered in time are said to have poor service. This is the degree to which a service

design and operating characteristics meet established standards. Good service is therefore equated with operation within a tolerance degree. If the service performs as expected and intended it will be considered good service offered. (Balunywa, 1998)

Contractors will improve their delivery if clients create the right procurement environment. Industry players also have to step up by developing their supply chains for the long term and by training their staffs to better understand the customer's needs so as to serve them well. It is our collective responsibility to improve. If the government sets the environment for people to work together, allowing early engagement with the team, setting targets for improvements and allowing supply chain collaboration, then we will continue to improve our delivery (Ojijo, 2009).

2.4 Relationship between procurement planning strategy and service delivery.

Procurement planning is one of the primary functions of procurement with a potential to contribute to the success of any institution operations and improved service delivery. It is a function that sets in motion the entire acquisition/procurement process of acquiring services and goods as required (Basheka, 2004).

Mullins (2003) asserts that the contribution of procurement planning in facilitating an efficient and effective service delivery in organizations is generally undisputed in both developed and developing countries. His findings revealed a significant positive relationship between procurement planning and service delivery in procurement systems. These results are compared to international research findings, and suggestions are offered for management decision making, policy making, and future research.

Procurement planning drives different expected results which are different from business as usual such as: reduction in the number of overall contract awards, understanding and managing total cost of ownership, more purchasing options (lease vs. buy) , data-driven decision making, improved risk mitigation prior to award, more identification of opportunities where suppliers can add value, improved relationships with suppliers which leads to improved service delivery, Procurement Policy Manual (2009). Effective procurement planning is an important route towards securing the right service to be delivered to the clients, and also maximizing the level of service provision which can be achieved. A procurement plan helps Procuring Entities to achieve maximum value for expenditures on services to be delivered and enables the entities to identify and address all relevant issues pertaining to a particular procurement before they publicize their procurement notices to potential suppliers of goods, works and services.

Johan (2006) further came up with some important service delivery improvement slogans. He said he who fails to plan for service delivery, plans to fail delivering services to the clients. If service cannot be measured, it cannot be improved. If we only plan to comply with regulations, we are not managers, we are robots. What we plan we must implement. What we implement, we must monitor. We should not be afraid to ask the customer their feedback. They really do know best what they need and what they get. It is not always the same thing.

It is the role of each entity in the institution to define its procurement requirements, identify all of the items they need to procure, create a sound financial justification for procuring them, listing all the tasks involved in procuring their services, scheduling

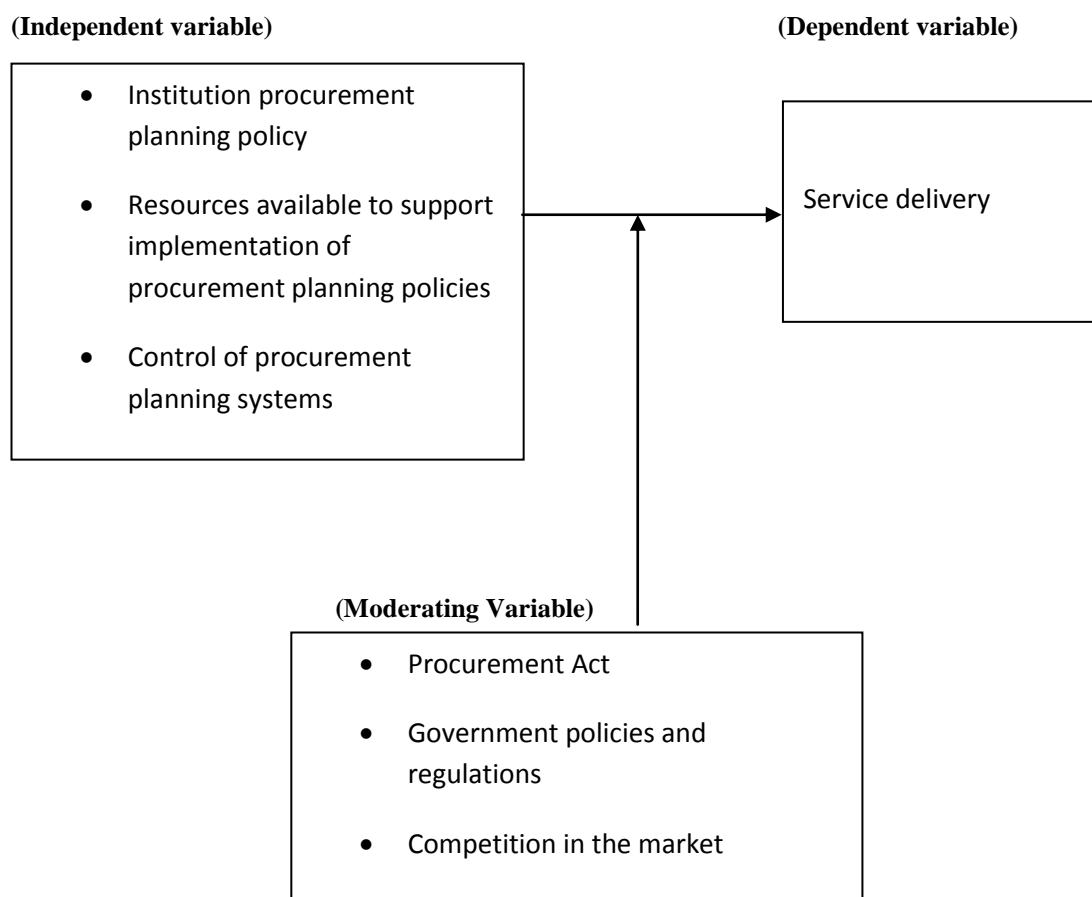
those tasks by allocating timeframes and resources (Agaba & Shipman, 2007). Through a Procurement Plan template, the procuring entity can quickly and easily define its procurement requirements, the method of procurement and the timeframes for delivery which in turn contribute to proper service delivery. Assisting the procuring entity to accurately decide on which services are to be expanded and improved, particularly during the planning stages and insisting that the procuring entity is in agreement with the clients during decision-making goes a long way to ensure they get good service delivery.(Basheka, 2008).

During procurement planning, the procuring unit brings about effective integration of the diverse decisions and activities of members on the technical planning committee not only at a point of time but also over a period of time. It is by reference to the framework provided by planning that members on the technical planning committee make major decisions on activities, in an internally consistent manner. At every stage of procurement, there are risks of integrity. During the pre-bidding period; starting from needs assessment, common risks include lack of adequate needs assessment, planning and budgeting of procurement, requirements that are not adequately or objectively defined, an inadequate or irregular choice of the procedure and a timeframe for the preparation of the bid that is insufficient or not consistently applied across bidders. All these concern the function of procurement planning. Should procurement plan fail to manage these risks, accountability and eventual service delivery is seriously threatened. Economic Commission of Africa (2003).

Effective procurement planning is an important route towards securing the right service to be delivered to the public and also maximizing the level of service

provision which can be achieved. A procurement plan helps procuring entities to achieve maximum value for expenditures on services to be delivered and enables the entities to identify and address all relevant issues pertaining to a particular procurement before they publicize their procurement notices to potential suppliers of goods, works and services Mawhood, (1983). Procurement planning is one of the primary functions of procurement with a potential to contribute to the success of any institution operations and improved service delivery. It is a function that sets in motion the entire acquisition/procurement process of acquiring services and goods as required (Basheka, 2004).

2.6 Conceptual framework



Independent Variables

Institution procurement planning policy acts as a guideline and gives directives on what and how procurement planning should be conducted to achieve set objectives.

In order to carry out procurement planning, resources are necessary to support the implementation of procurement planning such as trained professionals, documented procedures, tools of work such as computers and time.

After implementation of procurement planning, control mechanisms are used to check if the implementation is consistent with goals

Dependent Variable

Service delivery as a system of supplying requester's needs is heavily influenced by procurement planning policy, its implementation and control mechanisms of an organization

Moderating Variables

Procurement act, government policies and regulations as well as competition in the market are factors that influence the implementation of procurement planning as well as expectations of service delivery. Data will be collected to determine the relationship of these variables on procurement planning and service delivery.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents an overview of methodology used in the study. The discussion on this chapter is structured around the research design, sampling, data collection and data analysis employed in this study.

3.2 Research Design

The research design used is descriptive survey method. The descriptive survey described subject by creating a profile of a group of problems and people through collection of data and tabulation of the frequencies on research variables and their interaction.

3.3 Population and Sampling

The population for the study was MSF Clients, MSF - KSU staff and service providers. Stratified random sampling technique was used to select a sample of 10 from 45 suppliers, 15 clients from a pool of 35 and 15 MSF staff from a pool of 40. The functional categories were treated as strata after which simple random sampling was done proportionate to the number of suppliers, clients and staff in each strata. The goal of stratified random sampling was to achieve the desired representation from various sub-groups in the population.

3.4 Data Collection

In this research, the type of data collected was mainly primary data. Key informant interviews were conducted to collect data for the study. Interviews were identified as the best means of gathering in-depth knowledge of challenges in procurement through questionnaires that were filled in by respondents.

3.5 Data Analysis

The process of data analysis involved several stages; the completed questionnaires was edited for completeness and consistency, checked for errors and omissions and then coded. Data was analyzed with the help of statistical package for the social sciences version 20.0. To arrive at the conclusions, descriptive statistics was used while pie charts and graphs were used to present data collected for ease and quick understanding of findings.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND INTERPRETATION

4.1 Introduction

This chapter presents an analysis of data collected from the field on procurement planning strategy and service delivery, a case of Medecins Sans Frontieres. A total of 40 questionnaires were distributed and 34 were collected as having been filled completely constituting a response rate of 85%. Data collected from the field was edited, coded, evaluated and analyzed using statistical package for social sciences software version 20.0. The results are presented in tables, pie charts and figures to highlight major findings. Mean scores and standard deviations were used to analyse data collected.

4.2 Functional Category

The study sought to find out the functional categories of all respondents in the study. This was to check on the appropriateness of the respondents. The results are presented in the Table 4.1.

Table 4.1 Functional category of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Procurement	6	17.6	17.6	17.6
Transport	7	20.6	20.6	38.2
Operations	3	8.8	8.8	47.1
Finance	4	11.8	11.8	58.8
Warehousing	6	17.6	17.6	76.5
Admin/mgnt	8	23.5	23.5	100.0
Total	34	100.0	100.0	

From Table 4.1 the study found out that most of the respondents belonged to the admin/management category. They represented a percentage frequency of 23.5%.

4.3 The extent to which procurement planning strategy influence aspects of service delivery

This study aimed at identifying the extent to which aspects of service delivery are influenced by procurement planning strategy. In order to achieve this objective, aspects of service delivery were measured against procurement planning to establish their relationship, mean and standard deviation. The table 4.2 below shows the results.

Table 4.2: Influence of procurement planning on aspects of service delivery

	N	Mean	Approximated mean	Std. Deviation
Lead time on delivery	34	1.35	~1	.485
Response to queries	34	1.50	~2	.564
Accessibility of service	34	1.71	~2	.676
Flexibility of received service	34	1.53	~2	.507
Consistency of service	34	1.62	~2	.604
Reliability of service	34	1.44	~1	.504
timeliness	34	1.65	~2	.485
Provision of needs as required	34	1.59	~2	.500
Cost of service	34	1.62	~2	.652
Tangibility of service	34	2.18	~2	.626
empathy	34	2.53	~3	.896
Engagement with client	34	1.68	~2	.768
Value of money	34	1.35	~1	.485
Multiple channels of service delivery	34	2.06	~2	.422
Deployment of service	34	1.94	~2	.489
Personalized service	34	1.59	~2	.743
Service guarantee	34	1.53	~2	.507
Designing service from client perspective	34	1.50	~2	.508
Differentiated service to customers	34	1.79	~2	.729
Continuous improvement of service	34	1.79	~2	1.175
Client expectation management	34	1.71	~2	.462
Client participation in designing service delivery	34	1.71	~2	.524
Promptness in responding to clients	34	1.18	~1	.387
Efficiency in service delivery	34	1.44	~1	.504
Transparency in transactions	34	1.79	~2	.808
Reduction in transaction costs affecting customers	34	1.71	~2	.629
Corruption free transactions	34	2.15	~2	.821
Fairness in dealing with customers	34	1.94	~2	1.179
Valid N (list wise)	34			

Table 4.2 above represents the descriptive statistics on the influence of procurement planning on key aspects of service delivery a case of MSF- Kenya Supply Unit. The results show that respondents strongly agreed to a large extent that procurement planning has a direct influence on service delivery with average mean of 2. All aspects analyzed indicated a large extent of influence from procurement planning with only empathy showing a moderate extent of influence by procurement planning.

Table 4.3 Relationship between procurement planning and service delivery

	N	Mean	Approximate d mean	Std. Deviation
There is relationship between service delivery and procurement planning	34	1.65	2	.485
Service delivery has a positive e relationship with procurement planning	34	1.41	1	.500
Client participation has direct effect on service delivery	34	1.59	2	.500
Relationship between procurement planning and service delivery	34	2.41	2	1.048
Changes in procurement planning affect service delivery	34	1.62	2	.493
Sevice delivery changes indifferent context	34	1.85	2	.500
Procurement planning has no effect on service delivery	34	3.91	4	1.288
Valid N (listwise)	34			

Table 4.3 represents the descriptive statistics on the relationship between procurement planning and service delivery. The results indicate that respondents strongly agree that there indeed exists a positive relationship between procurement planning and service delivery. It has also been noted that client participation in procurement planning contributes significantly to service delivery offered, changes in procurement planning affect service delivery and that service delivery changes in different contexts. From all respondents, none indicated a negative relationship between procurement planning and service delivery.

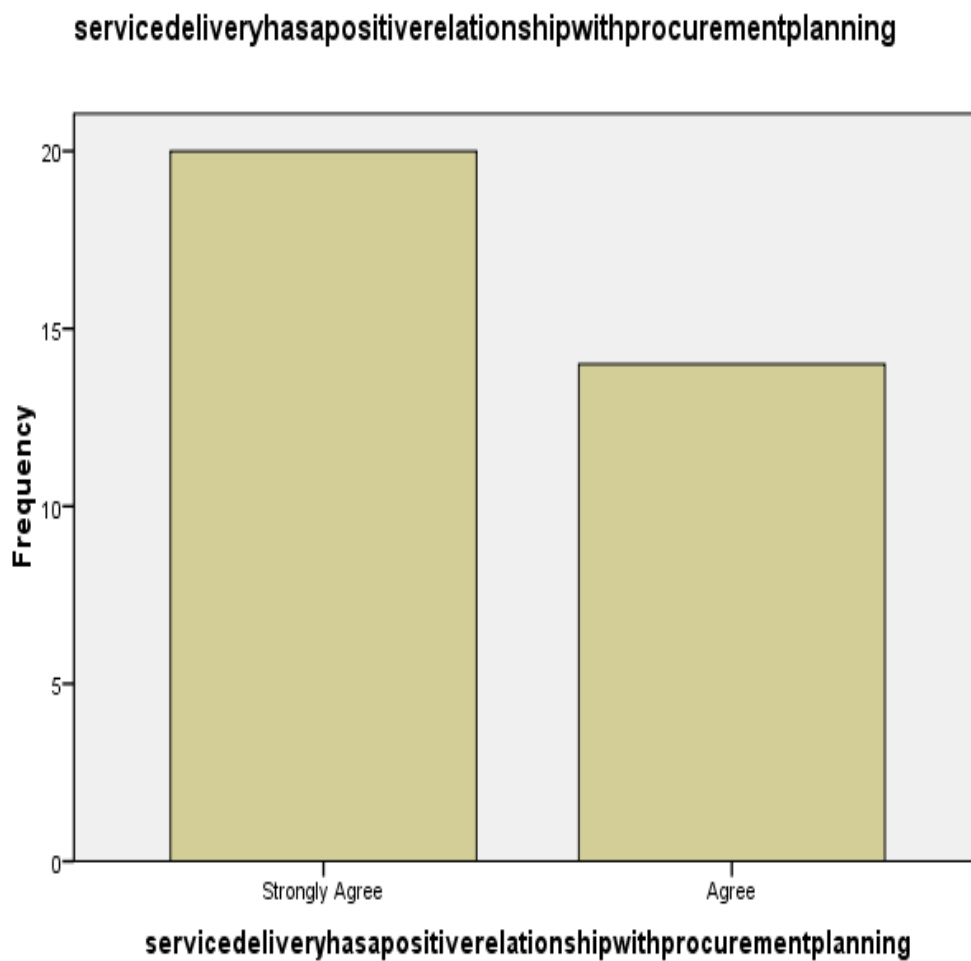


Table 4.4: The extent to which procurement planning is undertaken by Medecins Sans Frontiers

Descriptive Statistics				
	N	Mean	Approximated mean	Std. Deviation
procurement planning strategy is available and conforms to the government regulations, competition in the market and the public procurement act	34	1.82	2	.797
Implementation of the procurement planning strategy is ongoing	34	1.85	2	.436
There are control mechanisms for procurement planning strategy	34	1.85	2	.784
Clients are satisfied with the procurement planning strategy	34	2.26	2	.710
there are achieved benefits of implementation of procurement planning strategy in line with service delivery	34	2.00	2	.651
there is consistency in continuous improvement of procurement planning strategy	34	2.00	2	.246
Valid N (listwise)	34			

Table 4.4 represents descriptive statistics that show the extent to which procurement planning is undertaken by Medecins Sans Frontieres. Respondents agreed to a large extent that procurement planning strategy is available and conforms to the government regulations, competition in the market and the public procurement act, implementation of the procurement planning strategy is ongoing and there are control mechanisms for procurement planning strategy. The results also indicate clients are satisfied with the procurement planning strategy, there are achieved benefits of implementation of procurement planning strategy in line with service delivery and there is consistency in continuous improvement of procurement planning strategy.

4.4 Discussion

From the study, it was established that there exists a significant positive relationship between procurement planning and service delivery to a large extent. The study had a wide functional category of respondents to ensure inclusiveness and accurateness of the study. All aspects of service delivery as illustrated in table 4.2 and table 4.3 indicated a positive relationship between them and procurement planning. It has also been concluded that Medecins Sans Frontieres has adopted and implements procurement planning strategies in line with offering service delivery as shown in table 4.4.

The findings of this study emphasizes on the conclusions from other studies conducted before. (Mullins, 2003) asserted that the contribution of procurement planning in facilitating an efficient and effective service delivery in organizations is generally undisputed in both developed and developing countries. Procurement planning is one of the primary functions of procurement with a potential to contribute to the success of any operations and improved service delivery (Basheka, 2004).

CHAPTER FIVE

SUMMARY CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

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

5.2 Summary of findings

The research was conducted on a sample of 34 respondents from the questionnaires administered. The study targeted on procurement planning and service delivery. The study main objectives were to determine the relationship between procurement planning and service delivery and to establish procurement strategies adopted by Medecins Sans Frontieres.

Procurement planning is paramount in influencing service delivery as determined by the study conducted. Aspects of service delivery indicated a strong positive relationship with procurement planning. Lead time on delivery, response to queries, accessibility of service, flexibility of received service, consistency of service, reliability of service, timeliness, provision of needs as required, cost of service, tangibility of service, empathy, engagement with client, value for money, multiple channels of delivery, deployment of service delivery, service guarantee, service from client perspective, differentiated service, continuous improvement of service, client expectation management, client participation, promptness, efficiency, transparency, reduction in costs, corruption free transactions and fairness in dealing with customers.

There is a clear indication that to achieve this aspect of service delivery, procurement planning is essential in facilitating the achievement of service delivery.

It has also been established that Medecins Sans Frontieres has a procurement planning strategy as well as a system to monitor its implementation and continuous improvement of the same.

5.3 Conclusion

In conclusion, procurement planning has made it possible to offer customer service to clients by anticipating clients' needs, formulating a method to meet their needs with client participation while monitoring the system to ensure consistency of service and reliability of the same.

Service delivery has been quite elusive to many clients while more organisations have lost their clients by not offering them the service delivery they need. This has created a competitive edge that organisations can exploit in order to attract and retain customers. Procurement planning strategies when implemented efficiently has shown tremendous significant relationship with customer service. All partners involved in the supply chain, suppliers, clients and service providers should work hand in hand as a team to ensure smooth flow of information, products and services.

5.4 Recommendations

These recommendations are mainly to the NGO sector where planning can be a challenge and the dynamism of the industry is ever growing. Despite the often

emergency set up that they mainly operate in, it is possible to plan for procurement in order to gain better service delivery.

There is need to work with partners in the supply chain in order to achieve service delivery as it takes all parties involved to make it work. Control mechanisms and key performance indicators against aspects of service delivery should be created to manage implementation process. People and organisations should be sensitized on the importance of procurement planning strategies and subsequent effects on service delivery

5.5 Limitations of the study

The study cannot be used in general since it only covers a sample in the NGO sector. Thus more studies should be carried out in other industries to ascertain the significant positive relationship between procurement planning and service delivery as seen in his study.

Time was also a limiting factor as the study was not able to identify all strategies in procurement planning and service delivery.

5.6 Suggestions for future research

I recommend a further study to be conducted on the relationship between procurement planning and service delivery in Private and public sector. Professionals in procurement can also take this study as a reference point for their work and future research in same area.

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APPENDIXES

APPENDIX I: Questionnaire

Dear respondents, My name is Caroline Muthoni Nderi a student at the University of Nairobi pursuing Masters in Procurement and Supply Chain Management. I am currently carrying out a study on the Impact of Procurement Planning on service delivery at Medecins Sans Frontieres – Kenya Supply Unit. I humbly request you to spare few minutes of your time and answer the questions below. The study is strictly for academic purposes and will be treated with utmost confidentiality. Your cooperation is highly appreciated. Kindly tick in the boxes provided appropriately.

SECTION A: Functional Category.

1. Indicate Functional category you belong to

Procurement

Transport

Operations

Finance

Warehousing

Admin/Mgnt

SECTION B: Relationship between procurement planning strategy and service delivery.

To what extent does a procurement planning strategy influence aspects of service delivery?

The following abbreviations will be used to answer question above:

Extra large extent (SA), Large extent (A), Average Extent (NS), Minimal Extent (D), and No Extent (SDA). Points will be allocated as below.

5 (SA), 4 (A), 3 (NS), 2 (D), 1 (SDA)

Aspects of service delivery	SA	A	NS	D	SDA
Lead time on delivery					
Response to queries					
Accessibility of service					
Flexibility of received service					
Consistency of service					
Reliability of service					
Timeliness					
Provision of needs as required					
Cost of service					
Tangibility of service					
Empathy					
Engagement with client					
Value for money					
Multiple channels of service delivery					
Deployment of service					
Personalised service					
Service guarantee					
Designing service from clients perspective					
Differentiated service to customers					
Continuous improvement of service					
Client expectation management					

Client participation in designing service delivery					
Promptness in responding to clients					
Efficiency in service delivery					
Transparency in transactions					
Value for money					
Reduction in transaction costs affecting customers					
Corruption free transactions					
Fairness in dealing with customers					
Economical service					

SECTION C: SERVICE DELIVERY

What is the relationship between procurement planning strategies and service delivery?

The following abbreviations will be used to answer accordingly:

Strongly agree (SA), Agree (A), Not Sure (NS), Disagree (D), and Strongly Disagree (SDA) Points will be allocated as below.

5 (SA), 4 (A), 3 (NS), 2 (DA), 1 (SDA)

Statements	SA	A	NS	DA	SDA
1. There is a relationship between service delivery and procurement planning.					
2. Service delivery has a positive relationship with procurement planning.					
3. Client participation in procurement planning has a direct effect on service delivery					
4. The relationship between procurement planning and service delivery is consistent in all contexts.					
5. Changes in procurement planning have a direct effect on service delivery.					
6. Service delivery changes in different contexts.					

7. Procurement planning has no effect on service delivery					
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SECTION D: PROCUREMENT PLANNING IN MEDECINS SANS FRONTIERES

What is the extent to which procurement planning is undertaken by Medecins Sans Frontieres?

The following abbreviations will be used to answer accordingly:

Extra Large Extent (SA), Large Extent (A), Average Extent (NS), Minimal Extent (D), and No extent (SDA) Points will be allocated as below.

5 (SA), 4 (A), 3 (NS), 2 (DA), 1 (SDA)

Extent of procurement planning in Medecins Sans Frontieres	SA	A	NS	DA	SDA
Procurement planning strategy is available and conforms to the government regulations, competition in the market and the Public procurement act.					
Implementation of the procurement planning strategy is ongoing.					
There are control mechanisms for procurement planning strategy.					
Clients are satisfied with the procurement planning strategy					
There are achieved benefits of implementation of procurement planning strategies					
There is consistency in continuous improvement of procurement planning strategy in line with service delivery.					

THANK YOU FOR YOUR COOPERATION.