

**PROCUREMENT PRACTICES AND VALUE FOR MONEY IN  
STATE CORPORATIONS IN KENYA**

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FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF  
THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION  
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## DECLARATION

This research project is my original work and has not been presented elsewhere for a degree or any other award.

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## ABBREVIATIONS AND ACRONYMS

<b>E-Procurement</b>	Electronic Procurement
<b>FAR</b>	Federal Acquisition Regulation
<b>GDP</b>	Gross Domestic Product
<b>IFMIS</b>	Integrated Financial Management Information System
<b>OAG</b>	Office of the Auditor General
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>P2P</b>	Procure to Pay
<b>PFM Act</b>	Public Finance Management Act
<b>PPADA</b>	Public Procurement and Disposal of Public Assets Act
<b>PPRA</b>	Public Procurement Regulatory Authority
<b>SCAC</b>	State Corporation Advisory Committee
<b>USA</b>	United States of America
<b>USAID</b>	United States Agency for International Development
<b>VFM</b>	Value for Money

## **DEFINITION OF TERMS**

<b>E-Procurement</b>	The use of internet-based system to carry out individual or all stages of procurement including search, sourcing, negotiation; ordering, receipt, and post-purchase review.
<b>Procurement Planning</b>	The process of identifying and consolidating requirements and determining the timeframes for their procurement with the aim of having them as and when they are required.
<b>Procurement Practices</b>	The procedures adopted by an organization when procuring goods and services.
<b>Public Procurement</b>	Use of public funds by public entities to acquire goods and services.
<b>Supplier sourcing</b>	Identifying, evaluating and building relationships with suppliers that will provide goods and services.
<b>Supplies management</b>	Certifying compliance with the terms and conditions, documenting, agreeing on any changes by both parties, ensuring proper storage and utilization of supplies.
<b>Value for Money</b>	Balancing the principles of efficiency, economy and effectiveness in making procurement decisions to achieve optimal solutions that support development objectives.

## ABSTRACT

Public procurement related expenditure is approximately fifty to seventy percent of the national budget of developing countries and represents close to 33% of the GDP. Mindful of the huge assets committed in open acquirement, the journey for an incentive for cash is basic. This study tried to decide the impact of obtainment rehearses on incentive for cash in State Partnerships in Kenya. In particular, the review looked to survey the impact of acquirement anticipating an incentive for cash in State Companies in Kenya, decide the impact of provider obtaining on incentive for cash in State Partnerships in Kenya, to look at the impact of provisions the board on incentive for cash in State Organizations in Kenya and to assess the impact of E-acquisition on incentive for cash in State Companies in Kenya.. The concentrate additionally took on spellbinding exploration plan and the objective populace was the 167 State Companies in Kenya. Slovin's equation was taken on to choose an example of 118 organizations was utilized in the review. Essential information got from the heads of obtainment capability in every one of the State Enterprises in Kenya was gathered by utilization of a survey. Pilot test was directed to enable affirmation of the authenticity and unflinching nature of the assessment instruments. The information was examined through clear and inferential measurements. The outcomes showed that acquirement arranging, provider obtaining, supplies the board and e-acquisition decidedly and fundamentally influence the incentive for cash in state companies in Kenya. The review reasoned that appropriate acquisition rehearses emphatically and altogether influence the incentive for cash in state companies in Kenya. The review prescribes that to guarantee an incentive for cash, state organizations ought to get ready acquirement plans and the equivalent ought to be approved before the start of the respective financial year. The procurement plan should also involve all stakeholders. State corporations should also ensure compliance to procurement rules and regulations which require adherence to proper sourcing and supplies management. The corporations should also utilize e-procurement to undertake procurement process and enhance value for money. Government and policy makers should come up with policies that will ensure enforcement of procurement rules and regulations. This study proposes that future examinations might zero in because of impact of acquisition rehearses on incentive for cash in private or non- state corporations to find out whether similar findings can be achieved.

# **CHAPTER ONE**

## **INTRODUCTION**

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

Value for money is a highly desirable outcome in procurement by any organization, due to the need for optimal utilization of the scarce resources-natural, economic and social. The overarching principle is to balance advantages and costs based on the all out cost of possession. The idea of public obtainment is that it includes optional choice taking for government at all levels (Asare & Prempeh, 2016). The accomplishment of the targets of a decent obtainment framework incorporates; incredible skill, an incentive for cash, straightforwardness, responsibility and fairness (Barnett, Barr, Christie, Duff and Hext, 2010). Great public obtainment rehearses are an essential for monetary development and successful public venture. Unfortunate administration of public acquirement frameworks then again can transform public interests into major political and monetary liabilities, block advancement objectives, brings about extra expenses and waste public assets (World Bank, 2012).

Public obtainment is the utilization of public subsidizes by open substances to gain labor and products (OECD, 2021). In developing countries, procurement related expenditure is approximately 50–70% of the national budget (Ameyaw, Mensah and Osei-Tutu, 2012). Public obtainment likewise represents close to 33% of the GDP (Gross domestic product) in unfortunate nations and up to 15% in created nations. The share of public procurement in some countries is even more than half of government expenditures (OECD, 2015). Cognizant of the significant funds committed in public procurement, the quest for value for money (VFM) is critical. VFM is the utilization of public funds in a manner that ensures economy, efficiency, effectiveness and equity is achieved (Mamiro, 2010).

Many countries have put lots of efforts and continuously undertaken reforms to strengthen procurement units to guarantee the scant public assets are appropriately used and VFM is accomplished (Bothale, 2017). A portion of the changes incorporate establishment of regulations and guidelines to direct open foundations while undertaking obtainment of labor and products. In the US of America (USA), Government Procurement Guideline (FAR) was enacted for use by all agencies in their acquisition of supplies and services. In Europe, the Public Contracts Regulations, 2015 was enacted to guide public procurement.

In Africa, Ghana established the Public Acquisition Act, (2003), in Tanzania, the Tanzanian Public Obtainment Strategy of (2012) while in Uganda, the Public Acquirement and Removal of Public Resources Act, (2003) was authorized. In Kenya, the Public Obtainment and Removals Act (PPADA) was established in the year 2005 and canceled in 2015. The reason for the PPADA was to lay out techniques for acquirement and removal by open substances. The demonstration was planned to augment economy and proficiency; advance rivalry and guarantee that contenders are dealt with decently; advance the trustworthiness, reasonableness, straightforwardness and responsibility; increment public certainty; and work with the advancement of nearby industry and financial turn of events.

Despite the endeavors made by the different nations to reform public procurement, cases of malpractices still persist. A concentrate by Ameyaw et al. (2012) uncovered that the quantum of money changing hands through exploitative practices in open procurement is evaluated between \$390-400 billion for each annum from one side of the planet to the next. The cost of the mischievous activities in Africa is surveyed at around \$148 billion consistently. The mischievous activities in Sub-Saharan Africa existed in around 70% of public arrangements and achieved a 20-30% addition in the cost of arrangements. Lackert, 2009 additionally detailed that the assessed harm of acquisition acts of neglect lies somewhere in the range of 10% and 25%, and in some cases depends on half of the agreement esteem. Such high sums and rates signal the earnestness of obtainment changes to check acts of neglect (Telgen, Van der Krift and Wake, 2016).

### **1.1.1 Procurement Practices**

Procurement practices are the procedures adopted by an organization when procuring goods and services. In open obtainment, the strategies include a complete cycle extending from acquisition arranging, financial plan designation, offers greeting, offers assessment, contract grant and the executives, execution assessment, examining and revealing (Mchopa, 2015). The procurement practices are intertwined and must be coordinated properly. Lack of common sense can prompt massive expense overwhelms during contract the executives, and it lessens motivations for skilled organizations to enter government markets. Postpones in the delicate cycle can prompt agreement changes during execution assuming starting conditions changed. Unfortunate agreement management could disturb the cycle to finish works, and it could try and prompt



require further delicate methodology to guarantee the undertaking is finished (Nogues & Mendes, 2021).

States have likewise been taking on e-acquisition in the endeavor to diminish the watchfulness of public authorities and government workers that could prompt inefficient allotment of public assets, guarantee straightforwardness and fair rivalry. By limiting how much human prudence openly offering, e-obtainment is set to eliminate the open doors for debasement (Auriol, Straub and Flochel, 2016). Rwanda and Bangladesh give genuine models on late changes to change their public obtainment cycles and move towards e-acquisition. In the two economies, the e-acquisition stage has figured out how to carry out the highlights of distribution of yearly plans, delicate notification, delicate reports, grant choices and it has additionally effectively evolved intelligent elements which incorporate submitting and getting delicate archives and acquirement process. The two economies are among the top scoring in e-obtainment in the particular locales (Nogues & Mendes, 2021). Rwanda also attained the highest corruption index ranking in the Eastern African with a score of 53 compared to Kenya that had an index of 28 which is below the global average score of 43 (Transparency International Kenya, 2021).

### **1.1.2 Value for Money**

An incentive for cash (VFM) involves adjusting the standards of productivity, economy and viability in pursuing acquisition choices to accomplish ideal arrangements that help improvement goals (Jackson, 2012). Economy is getting the best worth data sources, productivity is expanding the results for a given degree of contributions while viability is guaranteeing that the results convey the ideal result (ICAI, 2011). VFM is in this manner what an organization judges to be an optimal blend of sum, quality and cost, expected over the whole of the endeavor's lifetime (Burger and Hawkesworth, 2011). Some nations have embraced VFM and introduced public procurement regulations that aim to achieve VFM. The Australian Government issued commonwealth procurement rules in 2020 whose main aim is achieving VFM. The rule stresses that accomplishing VFM is the center rule of the Province Acquirement Rules as it is basic to guaranteeing that public assets are utilized in the most productive, successful, moral and monetary way (Commonwealth of Australia, 2014). In Europe, the European Union enacted new rules in the year 2016 aimed at ensuring VFM (European Union, 2016). In Africa, various countries have enacted procurement regulations that identifies VFM as the core principle underlying public procurement. Ghana established Public Acquirement Act,

2003, Tanzania authorized the Tanzanian Public Obtainment Strategy of 2012, Uganda ordered Public Acquisition and Removal of Public Resources Act, 2003 and in Kenya the PPADA 2015 was sanctioned.

While VFM is a pursued component in open obtainment, there are difficulties of problematic powers to adjust execution and consistence which might degrade the productivity thought process (Kumar, Nair & Piecha, 2015). Botlhale (2017) noted that despite introduction of a modern procurement system to ensure VFM in Botswana, the system was not constructed in VFM basis. Mchopa (2015) deplored that assets have been squandered because of unfortunate agreement the executives works on frustrating VFM accomplishment in Tanzania. In Kenya, PPRA procurement contract audit for the year 2021/2022 indicated that public procuring entities do not comply with procurement regulation with some entities having a high risk score of above 70% implying that there is a high possibility of the state corporations failing to obtain value for expended money (PPRA, 2022).

### **1.1.3 Procurement Practices and Value for Money**

The job of acquirement in any establishment has expanded as of late particularly in the public area due to global economic recession and diminishing funds for government expenditure. As a result, every institution has emphasized on the need to minimize costs and ensure better value for money (Gormly, 2014). Proper public procurement practices are thus critical as it enables provision of services to citizens in an economical and efficient way while ensuring attainment of socio-economic development (Agrahari & Srivastava, 2019). At the point when public acquisition isn't filling in as it ought to, administration conveyance is compromised, bringing about labor and products that are of low quality, conveyed late, or not conveyed by any AVRs.

The activity of recognizing an incentive for cash starts toward the beginning of the acquirement cycle and go on all through. A getting element ought to lead an exhaustive obtainment arranging and foster a fit-for-reason acquisition plan. The acquisition approach ought to likewise be intended to guarantee that the bidders who are generally fit for conveying VFM are urged to offer and the right bidder is at last granted. Supplies the executives is likewise significant as it involves liabilities like management of works and administration conveyance, products gathering, fruition endorsement for installments, contract changes and question goal. The outcomes of unfortunate supplies the executives incorporate task or supplies delays,

utilization of inferior quality materials, extra work or expanding amounts of materials, no repayment cases of settlements ahead of time to project workers who neglect to convey and installment delays (Asian Development Bank, 2018).

Usage of e-acquirement is likewise key on the grounds that numerous confidential areas have demonstrated huge advantages from the execution of e-obtainment, for example, further developed agreement consistence, expanded administration data, decreased exchange cost and times (Gunasekaran and Ngai, 2008; Sanders, 2007). In the public area, it could cause the public authority to turn out to be more straightforward on the grounds that its framework trades data between open area and their providers, diminishes acquisition cost by lessening the utilization of paper, limiting regulatory duplication, and expanding responsibility, and admittance to the general population (OECD, 2017). E-acquirement is assigned to work on the proficiency and responsibility of the public area and is set to create immediate and roundabout advantages that offset the underlying expenses of execution. The current proof recommends that e-acquisition might be related with more equivalent admittance to financial open doors presented by e-obtainment, for example, expanded number of bidders, higher paces of commonness of non-neighborhood victors, marked down costs, greater of offered products, lower costs and more elevated level of rivalry among the bidders (Lewis-Faupel, Neggers, Olken, and Pande, 2016; Baldi and Vannoni, 2017; Grandia and Meehan, 2017).

#### **1.1.4 Procurement Practices in State Corporations in Kenya**

The Kenyan Government has 167 state corporations established to offer various services to its citizens (SCAC, 2021). The corporations have been categorized depending on the services that they offer which include financial, commercial and manufacturing, public universities, training and research, service corporations, regional development, tertiary education and regulatory. In order to deliver its mandate, the State Corporations must procure services and goods.

The public entities procurement functions are guided by PPADA (2015) and The Public Procurement and Disposal Regulations, 2020 which provides that the entities shall independently be responsible for all its procurement decisions. The regulation further provides that a procuring entity shall establish tender opening, tender evaluation, tender negotiation, and inspection and disposal committees. The PPADA (2015) stipulates the methods of procurement and procedures to be followed. The favored strategy for acquirement is open offering whose

cycles includes distinguishing proof of necessities; acquisition arranging; AVRing of prerequisites; assurance of source; assessment and choice of seller; contract grant; contract execution; installment for labor and products. Public organizations are likewise expected to take on e-obtainment to attempt acquisition processes.

The PPADA (2015) was also amended in the year 2022 to promote transparency for instance the addition of Section 53 (12) and 53 (13) require the Accounting Officer of a procuring entity and the National Treasury to publish and publicize the approved procurement plans on the website of the procuring entity and on the state tender portal respectively, as an invitation to treat (PPRA, 2022)

The National Government introduced in the year 2003 the integrated financial management system (IFMIS) to automate and streamline Government finance management processes. The major component of IFMIS is procure to pay (P2P) whose main aim is to fully automate procurement and payment process and ensure transparency and accountability (The National Treasury, 2014). The Government implemented the Procure to Pay module which is used to undertake procurement transactions electronically including preparation of procurement plans and linkage with the line items in the budget, tendering through request for quotation and open tender, and use of inbuilt item master/catalogue for common user items. The system is currently being used at both the National and County Government procuring entities (PPRA, 2022).

## **1.2 Statement of the Problem**

The Kenyan Government established various state corporations to offer services to citizens, generate revenue, spur development and assist in achieving the Vision 2030. The Government thus allocate the entities public funds in order to facilitate its functions. The entities also receive funds from various donors that support government projects. The entities are expected to utilize the funds in development projects and bridge economic disparities which include poverty, access to health services, education, basic needs, social amenities, infrastructure like roads among others. Cognizant of the huge funds allocated to corporations and the vital role of the entities, PFM Act, 2015 and PPADA, 2015 were introduced to guide the entities when undertaking procurement functions and ensure value for money is achieved.

Notwithstanding the Demonstrations being set up to control acquirement rehearses, acts of neglect have disintegrated the additions and has prompted abuse of public assets. Effective public acquirement is compromised by takes a chance in regions as different as consistence, manageability, and tasks (OECD, 2023). A concentrate by open obtainment administrative power (PPRA) demonstrated that there is a massive contrasts and disparities between obtainment rehearses applied in various public elements.

The PPRA audit report for the year 2021/2022 also indicated that the average score for 15 public entities was 57.6% and the average level of risk was 42.4%. The results implied that VFM may not be achieved by some of the public entities because the compliance score was below the cut-off score of 50% (PPRA, 2022). Donors have also raised concerns and withdrawn some funding because the corporations failed to achieve VFM (USAID, 2021).

The Office of the Auditor General reports for various Corporations also indicate glaring issues that include procurement of substandard goods, stalled projects, delays in project implementation, goods or services procured at inflated costs and expenditure without proper link with the services or goods procured (OAG, 2021). The vast cases of malpractices show that a lot of public funds go to waste and citizens are denied services. This raises the question on what procurement practices are adopted by the corporations and how does it affect value for money.

Extant literature indicates that many countries have put in place procurement regulations that embrace adoption of procurement practices that ensure value for money in public expenditure. Asare and Prempeh (2016) focused on VFM in Ghana; Bothale (2017) investigated VFM in Botswana while Mchopa (2015) focused on VFM in Tanzania. However, the studies did not conclusively determine the procurement practices adopted by the public entities and the effectiveness of the practices in achieving value for money. Other studies also focused on some of the procurement practices (Onyango (2014) evaluated procurement planning practices; Dede and Theuri (2018) examined supplies sourcing practices while Gallego (2011) explored supplies management practices). However, the studies did not evaluate all the procurement practices from pre-tendering to post award. This study sought to fill these gaps by investigating

the procurement practices adopted by State Corporations in Kenya and its effect on Value for Money and focused on procurement practices from pre-tendering to post award.

### 1.3 General Goal

The overall goal of this study was to decide the impact of obtainment rehearses on incentive for cash in State Partnerships in Kenya.

#### 1.3.1 Specific Goals

1. To survey the impact of acquirement anticipating an incentive for cash in State Partnerships in Kenya.
2. To decide the impact of provider obtaining on incentive for cash in State Enterprises in Kenya.
3. To analyze the impact of provisions the executives on incentive for cash in State Companies in Kenya.
4. To assess the impact of E-obtainment on incentive for cash in State Organizations in Kenya.

#### 1.3.2 Research Speculations

The accompanying speculations were tried in the review:

HO1: Procurement arranging AVRingly affects an incentive for cash in State Partnerships in Kenya.

HO2: Supplier obtaining affects an incentive for cash in State Organizations in Kenya.

HO3: Supplies the board affects an incentive for cash in State Partnerships in Kenya.

HO4: Adoption of E-acquirement affects an incentive for cash in State Organizations in Kenya.

### **1.4 Scope of the Study**

This study evaluated the impact of acquirement rehearses on incentive for cash in 167 State Organizations in Kenya as recorded by the state company warning board of trustees (appendix VII) (SCAC, 2021). The procurement practices that were investigated are procurement

planning, supplier sourcing, supplies management and E-procurement. The indicators for value for money were economy, efficiency and effectiveness. The review utilized essential information that was gotten from the heads of acquirement capability in every one of the State Enterprises.

### **1.5 Justification of the Study**

This study benefits the stakeholders of the State Corporations who include procurement managers, policy holders and researchers. The review empowers acquisition administrators to comprehend the connection between obtainment rehearses and VFM and lay out best acquirement rehearses that guarantee VFM is accomplished. The concentrate likewise empowers controllers to think of strategies that help obtainment rehearses, guarantee VFM being used of public assets and supported benefactor support. The study enables suppliers to have confidence in doing business with the government and ultimately lead to a healthy economy. The concentrate additionally add to existing writing by empowering specialists and researchers to comprehend the connection between obtainment rehearses and VFM and open up regions for additional exploration.

### **1.7 Limitations of the Study**

A few issues were faced when undertaking this study but the same did not significantly impact the findings. Some of the participants expressed apprehension about disclosing details sought by the study. The respondents were educated, nonetheless, that the information would just be utilized for scholarly reasons and wouldn't be shared without their approval. They were additionally furnished with the examination approval from the Public Commission for Science, Innovation, and Development (NACOSTI) to help the expressed explanation consequently supporting their certainty to give the necessary information.

Some of the respondents also found it difficult to secure time for the research due to their hectic schedules. As a result, questionnaires were left and selected at a later time. To speed up the process, emails and phones were also utilized for follow-up.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This part inspected writing connecting with obtainment practices and an incentive for cash. The segments are coordinated to cover the hypothetical audit, exact writing, applied system, synopsis of writing and examination holes.

#### **2.2 Theoretical Review**

There are a few speculations that can be utilized to make sense of the connection between obtainment practices and an incentive for cash. This study embraced two speculations specifically: Institutional hypothesis and Asset based view hypothesis.

##### **2.2.1 Institutional Theory**

The institutional theory was advanced by Meyer and Rowan (1977) and asserts that the development of an organization formal structures can strongly be influenced by its environment than market pressures. If an organization aligns its actions with the anticipated institutional environment, institutional isomorphism is achieved. DiMaggio and Powell, (1983) thought that institutional isomorphism process is a method for acquiring authenticity inside the hierarchical field, as a reaction to three distinct kinds of institutional tensions: coercive, standardizing and mimetic tensions. The coercive tensions are applied from formal and casual powers that are polished upon the associations from other strong associations or elements whereupon the associations depend. Inside the acquirement rehearses setting, these tensions can be as acquisition rules and guidelines applied by Government, requiring the execution of explicit obtainment rehearses (Wu, Daniel, Hinton & Quintas, 2013).

Normative pressures come from amazing skill and related systems administration (DiMaggio and Powell, 1983). Associations are accordingly confronted with regulating tensions to be seen as genuine among their friends inside their expert local area (Bhakoo and Choi, 2013). Consequently inside an obtainment rehearses setting, these tensions can be applied by exchanging partnerships and affiliations and the craving of associations to be related with them (Tate, Dooley & Ellram 2011). In Kenyan context, the supplies practitioners' management act, 2007 gives mandate to KISM to ensure professionalism through membership and licensing.

Normative pressures can come from the social commitment that associations feel towards their social orders to be believed to make the best choice (Walk and Olsen, 1996). Mimetic tensions come from vulnerability and results in associations endeavoring to show themselves on other effective associations (DiMaggio and Powell, 1983). The opposition between associations as far as acquisition rehearses are in many cases wellsprings of mimetic tensions (Wu, Ding, and Chen, 2012). In Kenya, there is competition among public institutions in respect of performance contracting rating and ISO certification that contributes to efficiency and effectiveness as most entities want to be appraised well. However, Greenwood et al. (2014) scrutinized the hypothesis as it centers unreasonably vigorously around making sense of establishments and institutional cycles, instead of how associations work. Regardless of the analysis, the hypothesis highlights the impact of outside pressures on the firm and how undertakings embrace arrangements and execute systems that are genuine inside their authoritative fields (Scott, 1995). This hypothesis is consequently valuable in this concentrate as it empowers distinguishing proof of the different obtainment rehearses that are supposed to be taken on by State Organization as the hypothesis uncovers that an establishment can be impacted by an outer climate to embrace specific practices. In Kenya, the State Corporation procurement practices are guided by the constitution of Kenya (2010) and regulations that include PPADA, 2015. However, the procurement practices adopted by state corporations in Kenya, extent of implementation and the effect of these practices on the performance of the entities is uncertain. This study thus investigated the procurement practices adopted by the state corporations in Kenya and the effect it has on value for money.

### **2.2.2 Resource Based Theory**

The hypothesis was progressed by Wernerfelt (1984) and declares that varieties in execution between firms from a similar industry can be made sense of by the distinctions in their gifts of assets. Assets will be resources, either unmistakable for example data correspondence gear or elusive like association practices and programming that a firm embraces to carry out their systems (Barney and Arikan, 2001). To make upper hand, the executives of a firm ought to coordinate and consolidate these assets into bunches framing capacities (Hitt, Ireland and Hoskisson, 1999). Notwithstanding, the hypothesis has been scrutinized as inferring boundless relapse and being adoptable exclusively by huge firms with critical market power (Kraaijenbrink, High-roller and Groen, 2009). Since firms are encouraged to look for prevalent

abilities for advancement, the organizations are driven into a perpetual quest for ever higher-request capacities.

In any case, Kraaijenbrink et al. (2009) noticed that in spite of the fact that there is dynamic adage in this evaluate, it doesn't neutralize the RBV as it is broken down at whatever point impalpable assets for example HR are presented. This theory is useful to this study as it underscores the fact that organizations can attain different results as a result of how best they utilize their resources which include coming up with effective practices. The hypothesis hence makes sense of how the autonomous factors impact the reliant variable as it makes sense of that obtainment rehearses is one of the distinct advantages that an association can use to accomplish VFM. This study thus investigated the procurement practices adopted by various State Corporations in Kenya and its influence on value for money.

## **2.3 Empirical Review**

This part explored surviving writing on the connection between acquisition practices and an incentive for cash.

### **2.3.1 Procurement Planning and Value for Money**

Exact examinations have stressed on the basic job of acquirement arranging in accomplishing an incentive for cash. Mamiro (2010) believed that acquisition arranging is the essential capability that makes way for ensuing obtainment exercises. A decent arrangement ought to depict the most common way of contracting providers and the cycle ought to include ID and evaluation of the requirements, choice of obtainment strategy, getting vital endorsements, deciding their financing lastly planning time periods. The current study will investigate whether State Corporations have adopted these procedures when coming up with their procurement plans.

The procurement practices adopted and its implementation is also vital to an organization. A study by Kumar et al., (2015) uncovered that absence of coordinated arranging process is a serious weakness as it prompts many store network failures, for example, high security stock, troubles in overseeing occasional interest designs, lacking interest estimating, long arranging skylines and powerlessness to catch supply requirements concerning limit or materials accessibility. These feelings are upheld by Onyango (2014) in a concentrate on the impacts of obtainment anticipating institutional execution: A contextual investigation of Mombasa

Regulation Court which found that cost assessment, need evaluation and quality details fundamentally influence execution.

A concentrate by Salim and Kitheka (2019) on the impact of obtainment anticipating acquirement execution in Mombasa Province, Kenya likewise found that need distinguishing proof, need specialization, spending plan and quotes essentially influence execution. In one more concentrate on the job of obtainment rehearses on the exhibition of corporate associations in Kenya: a contextual analysis of Kenya Public Police Administration, Makabira and Waiganjo (2014) found that acquirement arranging rehearses embraced by the police administration extraordinarily impacted execution. The ongoing review will accordingly examine the acquisition rehearses embraced by State Organizations in Kenya and its impact on Incentive for Cash.

It is likewise obvious that having a decent obtainment plan doesn't prompt better execution on the off chance that an association doesn't stick to its arrangements. A concentrate by Kibet and Njeru (2014) on the impacts of obtainment anticipating acquirement execution of Rural Improvement Enterprise, Nairobi likewise found areas of strength for a between acquisition arranging and acquisition execution. The review reasoned that the presence of an obtainment portfolio, effective planned operations the executives and adherence to acquisition designs emphatically influences acquisition execution. Odero and Ayub, (2017) likewise support these perspectives in a concentrate on the impact of obtainment rehearses on acquisition execution of public sugar producing firms in western Kenya. The review suggested that associations ought to upgrade their preparation and guarantee that the obtainment plans are stuck to. The current study will investigate whether the State Corporations have prepared and adhered to procurement plans.

### **2.3.2 Supplier Sourcing Practices and Value for Money**

There is a continuous change on the most proficient method to assess fruitful obtainment in both the private and the public area. Dimitri (2013) contends that to the extent that monetary productivity is worried from a cost just standard for estimating achievement, choices have moved to a multi-measures approach where different components of value, as well as cost, are thought of. To grant the agreement, both money related and non-financial parts of a proposition

ought to be thought of. Kiiver and Kodym, (2015) upholds this view by confirming that in the domain of public obtainment, an incentive for cash bid grant is accomplished when a bid is granted to the best bidder cost quality proportion, rather than grants in light of the most minimal cost or the least expense.

Quinot and Arrowsmith, (2013) also concurs and stresses that goods or services should not be procured from a supplier because of simply offering at the lowest price. In addition to quality and price, Burger & Hawkesworth, (2011) thought that to accomplish an incentive for cash, obtainment choices ought to be founded on an ideal blend of amount, quality and cost over the entire of the undertaking's lifetime. A concentrate on the impact of obtaining rehearses on obtainment execution in state organizations in Kenya: an instance of Kenya department of norms was finished by Dede and Theuri (2018). The review attested that obtaining rehearses altogether influence execution. In particular, various obtaining, green obtaining and worldwide obtaining emphatically influence execution while single obtaining contrarily influences execution.

Mokogi, Mairura and Ombui (2015) in a concentrate on the Impacts of Obtainment Practices on the Presentation of Business Ventures in Nairobi Region likewise certified that provider choice techniques and acquirement process the executives rehearses unequivocally affected the exhibition of business state possessed endeavors examined. The ongoing review explored the impact of provider obtaining rehearses embraced by the State Companies in Kenya and its impact on Incentive for Cash.

### **2.3.3 Supplies Management and Value for Money**

In a study by Gallego (2011), it was evident that an organization should establish a management mechanism for instance an examination and acknowledgment advisory group to guarantee that obtained labor and products are conveyed as required. The investigation discovered that unfortunate review of labor and products came about in non-conveyance of specific things, under conveyance or conveyance of unsatisfactory merchandise. Contract management is also vital to achievement of value for money especially when executing development projects as stressed by a study conducted in Tanzania by Mchopa (2015). The review zeroed in on coordinating agreement the executives rehearses into the accomplishment of significant worth for cash in Tanzania public acquirement. The review stressed that agreement practices of using

time productively, quality administration and costs control were successful and come about into an incentive for cash.

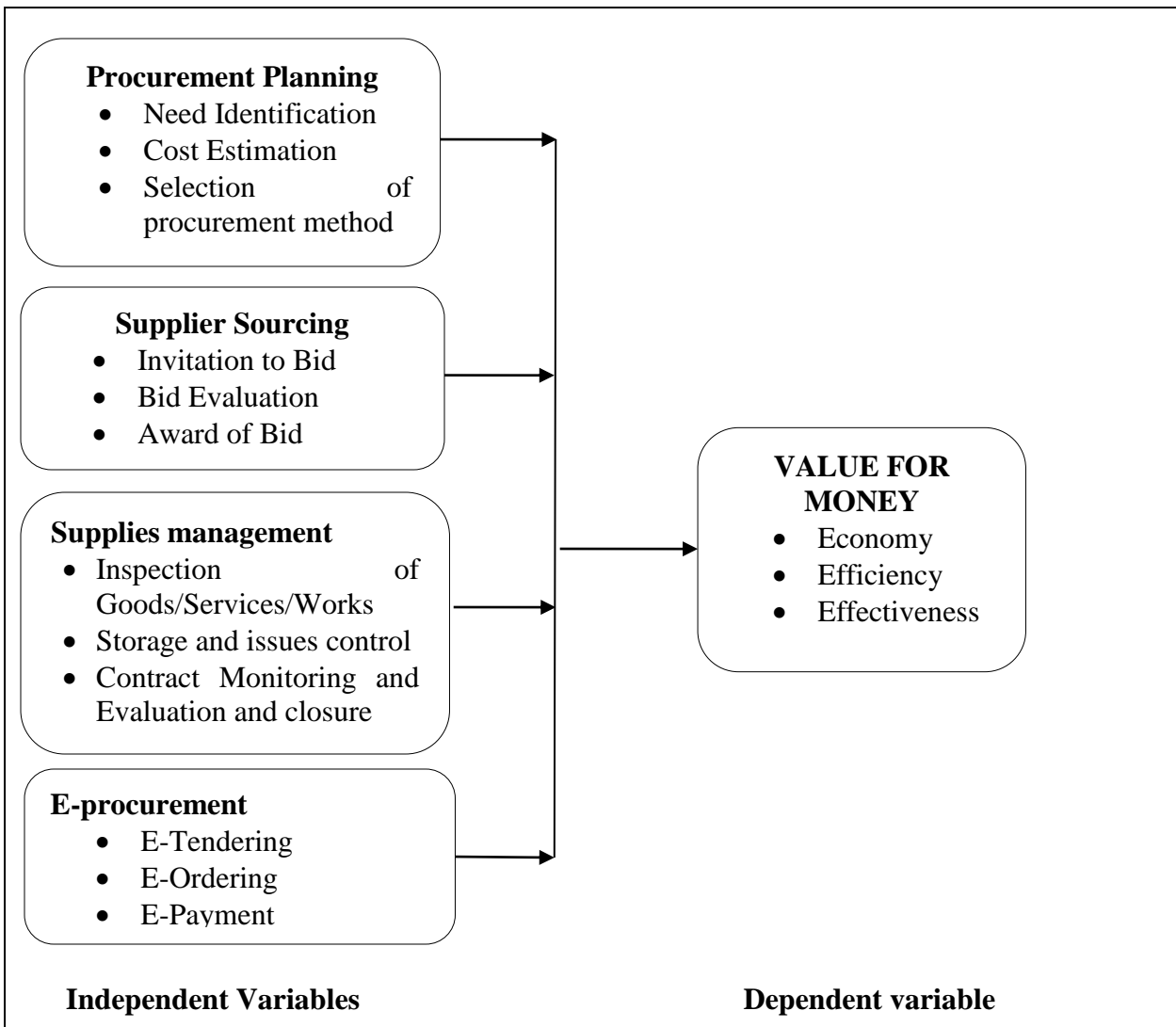
Checking and assessment of acquisition strategies and exercises is likewise key in accomplishing an incentive for cash. In a concentrate by Asare and Prempeh (2016) on the proportions of guaranteeing an incentive for cash in open obtainment: An Instance of Chosen Polytechnics in Ghana, it was clear from the discoveries that the significant difficulties that hinder accomplishment of significant worth for cash in open acquirement were lacking measures for checking and assessment of the acquirement strategy to guarantee VFM. The concentrate subsequently prescribed that to guarantee an incentive for cash, the board upholds for VFM program at all degrees of organization ought to be supported and obtainment administrative experts as a team with public substances should guarantee consistence through thorough checking and assessment of the acquisition strategy to guarantee VFM. This study researched the provisions the board rehearses took on by State Enterprises in Kenya and its impacts on incentive for cash.

#### **2.3.4 E-procurement and Value for Money.**

State run administrations have been taking on e-acquisition in the endeavor to lessen the watchfulness of public authorities and government workers that could prompt inefficient distribution of public assets and unfortunate arrangement of public products, to guarantee straightforwardness and fair contest (Auriol et al., 2016). A review directed by Mélon and Spruk (2019) on the effect of e-obtainment on institutional quality dissected the execution of e-acquirement in Denmark, Netherlands and Portugal. The discoveries demonstrated that the execution of e-obtainment is by and large connected with a moderately more grounded control of defilement in the Netherlands and Denmark, while a comparative change in Portugal neglected to convert into a more grounded control of debasement. Kim, Suresh and Kocabasoglu-Hillmer (2015) found that e-obtainment decidedly affects firm execution and key obtaining. Chang, Tsai, and Hsu (2013) found that connections, data sharing, and production network joining can address the cycles through which e-obtainment adds to production network execution. Elbahnasawy (2014) researched the effect of e-government on the pervasiveness of defilement in a huge board of nations for the period 1995 to 2009 and found that e-obtainment decreased debasement.

## 2.4 Conceptual Framework

The study adopted the conceptual framework indicated in figure 2.1.



**Figure 2.1: Conceptual framework**

The calculated system in figure 2.1 shows the connection between the free factors and ward variable. The autonomous factors were acquirement arranging, provider obtaining, supplies the board and reception of e-acquisition while the reliant variable was an incentive for cash. The conceptual framework also shows the indicators for each variable. The indicators for

procurement planning are need identification, cost estimation and selection of procurement method. Supplier sourcing was measured by invitation to bid, bid evaluation and award of bid. Supplies management was measured by inspection, storage and issues controls, contract monitoring, evaluation and closure. The indicators for e-procurement were e-tendering, e-ordering and e-payment. The indicators for value for money were economy efficiency and effectiveness.

## **2.5 Summary of Literature Review**

The empirical studies demonstrated that procurement practices adopted by an organization influence performance. Mamiro (2010) affirmed that obtainment arranging is the essential capability that makes way for ensuing acquisition exercises and a decent arrangement ought to portray the method involved with contracting providers. Kumar et al., (2015) upheld that arranging was key since absence of coordinated arranging process is a serious deficiency that prompts many store network shortcomings, for example, high wellbeing stock, challenges in overseeing occasional interest designs, lacking interest estimating, long arranging skylines and powerlessness to catch supply requirements concerning limit or materials accessibility. Other studies (Onyango, 2014; Makabira and Waiganjo, 2014; Ogwang & Waweru, 2017; Kibet & Njeru, 2014; Salim & Kitheka, 2019) insisted that obtainment arranging irrelevantly affected the acquirement execution. Odero and Ayub, 2017 suggested that that associations ought to upgrade their preparation and furthermore guarantee that acquisition plans are stuck to.

It was likewise clear that there is a slow change on the most proficient method to assess fruitful obtainment in both the private and the public area. Dimitri (2013) confirms that to the extent that monetary productivity is worried from a cost just standard for estimating achievement, choices have moved to a multi-rules approach where different elements of value, as well as cost, are thought of. Other studies (Kiiver & Kodym, 2015; Quinot & Arrowsmith, 2013; Burger & Hawkesworth, 2011) supported this view by affirming that in the realm of public procurement, a value for money bid award is achieved when a bid is awarded to a bidder who offers the best price-quality ratio, as opposed to awards based on the lowest price or the lowest cost. Dede and Theuri (2018) posited that multiple sourcing, green sourcing and global sourcing positively impacted performance while single sourcing negatively affected performance.



Supplies management is crucial in an organization. Inspection committee and monitoring should thus be established to ensure supplies are delivered as required and achieve VFM. Poor inspection of supplies resulted in non-delivery of certain items, under delivery or delivery of sub-standard goods. The study recommended (Gallego, 2011; Asare & Prempeh, 2016). Contract practices of using time effectively, quality administration and costs control were likewise powerful and come about into an incentive for cash accomplishment (Mchopa, 2015). Concentrates by (Auriol et al., 2016; Mélon and Spruk, 2019; Elbahnasawy, 2014) asserted that State run administrations have been taking on e-acquisition in the endeavor to decrease the watchfulness of public authorities and government workers that could prompt inefficient distribution of public assets and unfortunate arrangement of public products, to guarantee straightforwardness and fair contest. Chang, Tsai, and Hsu (2013) found that connections, data sharing, and store network combination can address the cycles through which e-acquisition adds to production network execution.

## **2.6 Research Gaps**

The literature review indicates that studies relating to the procurement practices, procurement performance and value for money have been carried out. The literature also indicates that many countries have put in place procurement regulations that embrace adoption of proper procurement practices in order to ensure value for money in public expenditure. Asare and Prempeh (2016) focused on VFM in Ghana; Botlhale (2017) investigated VFM in Botswana while Mchopa (2015) focused on VFM in Tanzania. However, the studies did not conclusively determine the procurement practices adopted by the public entities and the effectiveness of the practices in achieving value for money. Other studies also focused on some of the procurement practices (Onyango (2014) evaluated procurement planning practices; Dede and Theuri (2018) examined supplies sourcing practices while Gallego (2011) explored supplies management practices). However, the studies did not evaluate all the procurement practices from pre-tendering to post award. This study tried to fill these holes by examining the acquirement rehearses embraced by State Partnerships in Kenya and its impact on Incentive for Cash and zeroed in on obtainment rehearses from pre-offering to post grant. The examination holes are summed up in reference section III.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

This part illustrated the exploration configuration, target populace, examining method and test size, information assortment and strategies, pilot review, information handling and investigation.

#### 3.2 Research Design

An examination configuration is the determination of techniques and systems for obtaining the data required. It comprises a blue print for the assortment, estimation and examination of information (Kothari, 2017). This study embraced an illustrative exploration plan since it empowered assembling of data concerning the situation with the peculiarities and portrayal of what exists as for factors in a circumstance by getting some information about their discernments, mentalities, conduct or values (Blumberg, Cooper & Schindler, 2014).

#### 3.3 Target Population

The objective populace for this study was the 167 State Companies in Kenya as displayed in reference section VII (SCAC, 2021). The information was gathered from the head of acquirement capability in each State Partnerships. The head of obtainment division was picked on the grounds that he/she has the obligation of coming up and carrying out acquirement rehearses in this way they gave the important data expected to the review. The PPADA, 2015 also requires that procurement functions for public institutions should be guided by a licensed procurement professional.

#### 3.4 Sampling Technique and Sample Size

The State Partnerships have been gathered into 8 classes by SCAC. Hence separated arbitrary inspecting was proper in light of the fact that it builds test's measurable productivity and gives sufficient information to examining sub populaces (Blumberg et al, 2014). To have a satisfactory example size comparative with the targets of the review, Slovin's recipe as displayed in condition 3.1 was taken on (Ellen, 2012). This gave an example size of 118 enterprises to be examined. Defined arbitrary testing was then used to choose the 118 corporations from the eight categories as shown in appendix IV.

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

Where  $n$  is the sample size,  $N$  is the total population and  $e$  is the error tolerance which is 5%

### **3.5 Data Collection Instruments**

The review utilized essential information that was gathered by utilization of a poll. The poll was coordinated into five sections. The initial segment zeroed in on the foundation data of the respondents while every one of the following four sections zeroed in on information for every goal separately.

### **3.6 Data Collection Procedure**

The surveys were managed to the respondents who were the heads of acquirement division in each State Partnerships. One surveys was thusly regulated in each State Enterprise and a sum of 118 polls were controlled. The procedure involved drop and pick method as it ensured the questionnaire was delivered to the relevant respondent, given ample time to respond to the questions and ensure high response rate within the timeline because the questionnaire was collected from the respondent instead of waiting to be sent by the respondent. The method also ensured contact with the respondent thus allowing any clarification required to be handled (Kothari, 2017).

### **3.7 Operationalization and Measurements of Variables**

The reliant variable was an incentive for cash while the free factors were obtainment arranging, provider obtaining, supplies the board and e-acquisition. The details of how the variables were operationalized and measured is indicated in appendix VI.

### **3.8 Pilot Study**

Pilot test was led to empower the assurance of the legitimacy and unwavering quality of examination instruments. Respondents used in pilot test constituted ten percent of the sample used in data collection (Blumberg et al, 2014). The pilot study was therefore conducted in 12 corporations which was ten percent of the sampled population. The state corporations was randomly selected and was not part of the entities that were examined in the main study.

#### **3.7.1 Reliability**

Unwavering quality test was finished to decide consistency of the exploration instrument. Inside consistency method was taken on by utilizing the Cronbach Alpha Coefficient test. In this technique, scores accomplished from various things in the survey were associated and Cronbach's Alpha Coefficient was then figured to decide the connection between's the things.

The consequence of relationship was the Cronbach Coefficient Alpha which was esteem somewhere in the range of 0 and 1. The coefficient was viewed as high when its outright worth was more prominent than or equivalent to 0.7 in any case it was low (Cronbach, 1951). A high coefficient suggests high connection between's these things which implies there was high consistency among the things and such things ought to be held in the devices. Where the coefficient was low, then the thing was assessed by either eliminating it from the apparatus or amending it. The outcomes were as displayed in Table 3.1

**Figure 3. 1: Reliability Coefficients**

<b>Section of Questionnaire</b>	<b>Variable</b>	<b>Number of Items</b>	<b>Cronbach Reliability Coefficients</b>
Part B	Procurement Planning	8	0.754
Part C	Supplier Sourcing	11	0.813
Part D	Supplies Management	11	0.768
Part E	E-Procurement	7	0.773
Part F	Value for Money	9	0.747
<b>Composite Cronbach's Alpha Reliability Coefficient</b>			<b>0.771</b>

The review utilized the Cronbach's alpha measurement which suggest a limit of more than 0.7 (Cronbach, 1951). The outcomes in Table 3.1 shows that every one of the factors gave a Cronbach's alpha of more than 0.7 and subsequently were held for additional review.

### **3.7.2 Validity**

Legitimacy test was finished to decide the degree at which information gathering instrument estimates what it should gauge (Blumberg et al, 2014). Assessments of specialists in the space of study was subsequently looked to lay out legitimacy of the instruments. This worked with the essential change and modification of the exploration instruments to improve their legitimacy

## **3.8 Data Processing and Analysis**

The information gathered was painstakingly checked to identify any blunders or oversights and guarantee they are reliable. The information was then coded into consistent, expressive, and significant classifications to give a system to examination. The information was examined through distinct measurements and inferential insights. To decide the relationship between the factors, connection investigation was finished. Numerous straight relapse model was then used to lay out the connection between acquisition practices and an incentive for cash. The accompanying relapse model was utilized in the review.

$$y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \dots \dots \dots (2)$$

Where: y was Value For Money,  $\beta_0$  was the Intercept constant, X1 is acquirement arranging rehearses, X2 was provider obtaining rehearses, X3 was supplies the board rehearses, X4 was reception of e-acquisition,  $\beta_1 - \beta_4$  was the comparing Coefficients of autonomous factors and  $\varepsilon$  was the Blunder expression

### 3.9 Tests of Assumptions

Straight relapse investigation expects that there is ordinariness, linearity, no multi-collinearity, no autocorrelation and no heteroscedasticity. The concentrate in this way done tests to decide linearity, multi-collinearity, autocorrelation, ordinariness, homoscedasticity prior to directing inferential examination as displayed in appendix V.

## CHAPTER FOUR

### RESEARCH DISCOVERIES AND CONVERSATIONS

#### 4.1 Introduction

This segment approaches the revelations and assessment of data as indicated by the investigation framework. The part covers the response rate, establishment information of the respondents, realistic estimations, relationship assessment and backslide examination.

#### 4.2 Reaction Rate

The surveys were directed to 118 respondents who were heads of acquirement branches of 167 State Companies in Kenya. An amount of 87 studies were filled and returned. This molded a response speed of 74% which was seen as a representative test for extra examination. Babbie (2020) recommended that a 60% return rate is perfect and a 70% return rate is by and large magnificent.

Table 4. 1: Response Rate

<b>Region</b>	<b>Population</b>	<b>Percentage</b>	<b>Sample</b>	<b>Response received</b>	<b>Response rate</b>
Commercial & Manufacturing	33	20	23	16	70%
Financial corporations	17	10	12	9	75%
Training and Research	14	9	10	7	70%
Service Corporations	26	15	18	13	72%
Regional development	6	3	4	4	100%
Tertiary Education & Training	5	3	4	4	100%
Regulatory	29	17	20	14	70%
Universities	37	23	27	20	74%
<b>Total</b>	<b>167</b>	<b>100</b>	<b>118</b>	<b>87</b>	<b>74%</b>

### 4.3 Background Information of the Respondents

The review tried to figure out the foundation data of the respondents with regards to orientation, age, length of **administration**, their degree of schooling and expert capability.

#### 4.3.1 Gender Dissemination of the Respondents.

The audit hoped to spread out the direction of the respondents. The revelations are as presented in Table 4.2.

Table 4. 2: Orientation appropriation of Respondents

Gender	Frequency	Percent
Male	53	61
Female	34	39
Total	87	100.0

The results in Table 4.2 shows that 61% of the respondents were male while 39% were female. This shows that larger piece of the heads of procurement in State Organizations in Kenya are male. The disclosures moreover show that the extent of male and female in the State Associations in Kenya is inside the third direction rule gave in the Kenyan Constitution.

#### 4.3.2 Distribution of the Respondents by Age

The audit attempted to sort out the age of the respondents. The results are as shown in Table 4.3

Table 4. 3: Appropriation of the Respondents by Age

Age Bracket	Frequency	Percent
Under 30 years	3	3.45
31-35 years	11	12.64
36-40 years	18	20.69
41-50 years	39	44.83
51 years and above	16	18.39
Total	87	100.0

The disclosures in Table 4.3 shows that 44.83% of the respondents were developed between 41-50 years, 20.69% were developed between 36-40 years, 18.39% were developed 51 years or more, 12.64% were developed between 31-35 years while 3.45% were developed under 30

years. The focus subsequently addresses the points of view on procurement authorities with different age and experience.

**4.3.3 Academic Capability of the Respondents**

The audit attempted to sort out the academic capacity of the respondents. The course of the level of guidance of the respondents is as presented in Table 4.4

Table 4. 4: Scholarly Capability of the Respondents

Scholarly Qualification	Frequency	Percent
Authentication/Diploma	18	20.69
Undergrad Degree	49	56.32
Postgraduate Degree	20	22.99
Total	87	100.0

The results in Table 4.4 shows that 56.32% of the respondents had achieved a professional education, 22.99% had a postgraduate certificate while 20.69% had an acknowledgment or underwriting. The disclosures show that the respondents had accomplished various sorts of tutoring level appropriately they are capable.

**4.3.4 Distribution of the Respondents Constantly Worked in the Organization**

The respondents were referenced to show the amount of years they had served in the association. The disclosures are as shown in Table 4.5.

Table 4. 5: Circulation of the Respondents Continuously Worked in the Organization

Years Worked in the Company	Frequency	Percent
5 years or below	8	9.2
6 to 10 years	12	13.8
11-15 years	16	18.4
north of 15 years	51	58.6
Total	87	100.0

The results in Table 4.5 shows that 58.6% of the respondents have worked for over 15 years, 18.4% have for a period of between 11 to 15 years, 13.8% have worked for a period of between 6 to 10 years while 9.2% have been worked for a period of 5 years and under. The respondents have as such obtained understanding in their space of movement and can give information anticipated by the audit.

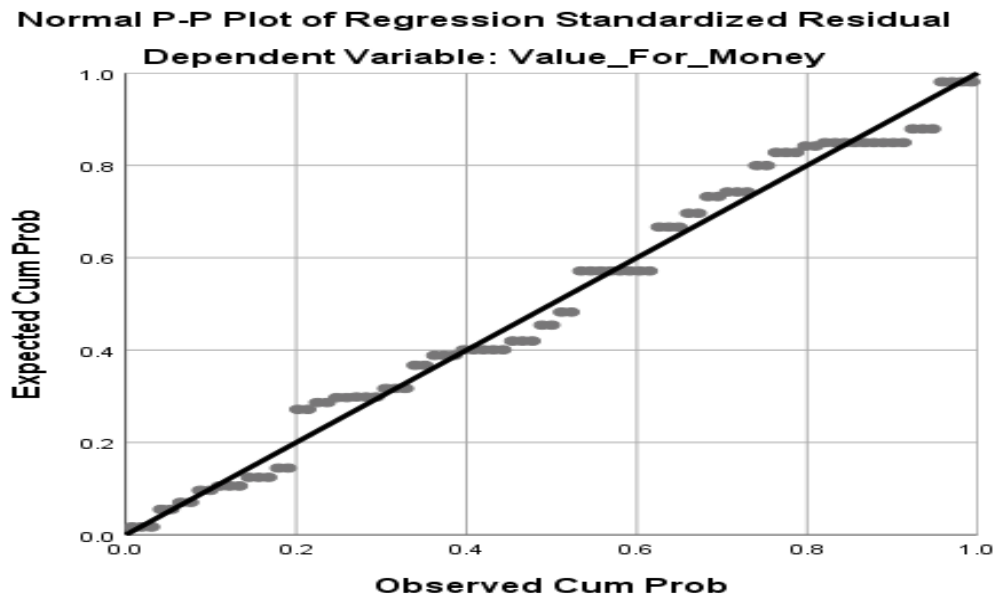


#### 4.4 Trial of Presumptions and Investigation

In straight backslide assessment, doubts are made on the data used. The doubts are that there is conventionality, no multi-collinearity, no autocorrelation, no homoscedasticity and no heteroscedasticity. This part presents the results of expressive tests that were finished to choose linearity, multi-collinearity, autocorrelation, homoscedasticity and heteroscedasticity.

##### 4.4.1 Test for Ordinarity

In backslide models, the residuals of the backslide should follow a normal scattering. The residuals are fundamentally the bumble terms, or the qualifications between the saw worth of the dependent variable and the expected worth. To test this, customary P plot was made to show and the disclosures are presented



**Figure 4. 1: Ordinarity Experimental outcomes**

The outcomes in Figure 4.1 shows the residuals in the typical Predicted Probability (P-P) plot conform to the diagonal normality line implying that the residuals are normally distributed.

##### 4.4.2 Test of Multi-collinearity

Backslide assessment expects that there is no multi-collinearity between the 1 autonomous factors. The free factors were accordingly relapsed to figure out the resistance level and fluctuation expansion element of every variable. The outcomes are introduced.

**Table 4. 2: Variance Inflation Factor (VIF) Test Results**

Variable	Collinearity Statistics	
	Tolerance	VIF
Procurement Planning	.847	1.180
Supplier sourcing	.914	1.094
Supplies Management	.820	1.219
E-procurement	.846	1.183

The discoveries in resistance and change expansion factor (VIF) measurements of the factors. The discoveries demonstrate that the resilience level for acquisition arranging rehearses is 0.847 with VIF of 1.180. The outcomes additionally show that the resilience level of provisions getting practices is 0.914 with VIF of 1.094, the opposition level of arrangements the board is 0.820 with VIF of 1.219 while the strength level for e-procurement is 0.846 with VIF of 1.183. It is thus certain that the strength level for all of the variables was above 0.1 while the VIF values were under 10 which proposes that there is no multi-collinearity between the independent elements.

#### 4.4.3 Test of Autocorrelation

Direct backslide expects that there is close to no autocorrelation in the data. Autocorrelation happens when the slip-up terms or residuals are not independent of each other. Durbin-Watson test was used to test the invalid hypothesis that the residuals are not straightforwardly autocorrelated.

The Durbin-Watson estimation AVRt by d arrives at in regard from 0 to 4 and the adequate reach is somewhere in the range of 1.5 and 2.5 (Garson, 2012). The outcomes are introduced.

**Table 4. 3: Autocorrelation Test Results**

Model	R	R Square	Adjusted R Square	St.dev. Error of the Estimate	Durbin-Watson Statistic (d)
1	.821 <sup>a</sup>	.674	.658	.52853	2.309

**a. Predictors:** (Constant), Procurement Planning, Supplier Sourcing, Supplies Management, E-Procurement.

**b. Dependent Variable:** Value for Money in State Corporations in Kenya

The outcomes shows that the value of Durbin Watson estimation ( $d = 2.309$ ), lies amidst the two essential potential gains of  $1.5 < d < 2.5$ , in this way there is solicitation straight autocorrelation.

#### 4.4.4 Test of Heteroscedasticity

Straight backslide expects that there is no heteroscedasticity which happens when the change of a variable isn't comparable across an extent of the other variable that predicts it. To test for heteroscedasticity, Breusch-Agnostic test was led. The invalid speculation was that heteroscedasticity was absent while the elective theory was that heteroscedasticity was available. The choice decide is that on the off chance that the importance level is under 0.05, the invalid speculation is dismissed. The aftereffects of the test are introduced

**Table 4. 8: Breusch-Agnostic and Koenker Experimental outcomes**

	LM	Sig
Breusch-Pagan	2.740	0.602
Koenker	3.427	0.489

The results in Table 4.9 shows that the p a motivation for Breusch-Rationalist is 0.602 while the impetus for Koenker is 0.489. The characteristics for both Breusch-Skeptic and Koenker are above 0.05, subsequently the invalid hypothesis that heteroscedasticity was missing is recognized. The variables used in the audit don't thus have the heteroscedasticity issue.

#### 4.5 Descriptive Statistics

The goal of this study is to decide the impact of acquisition rehearses on incentive for cash in state organizations in Kenya. The concentrate subsequently looked to lay out the degree to which the respondents concurred with a given parts of obtainment rehearses as influencing an incentive for cash in the state companies. This segment presents the aftereffects of how the respondents concurred with the various assertions connecting with the reliant and autonomous factors.

##### 4.5.1 Analysis of Value for Money

This segment presents the examination of the reliant variable which was an incentive for cash. The marks of the variable were viability, economy and productivity.

##### 4.5.1.1 Effectiveness

The respondents were given three things evaluated on a five point Likert scale going from: Firmly deviate; dissent; nonpartisan; concur and emphatically concur from which to pick. The discoveries are introduced in Table 4.10.

**Table 4. 4: Frequencies, AVR and Standard Deviation for Effectiveness**

<b>Statement</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>AVR</b>	<b>St.dev. Dev</b>
The goods, works and services procured meet the needs of users	8.0% (7)	33.3% (29)	13.8% (12)	44.8% (39)	0.00% (0)	2.954	1.055
The goods, works and services procured are of good quality.	0.0% (0)	34.5% (30)	9.2% (8)	52.9% (46)	3.4% (3)	3.252	0.979
There are no stalled projects in the entity	10.3% (9)	31.1% (27)	6.9% (6)	42.5% (37)	9.2% (8)	3.092	1.235
<b>Average</b>						<b>3.099</b>	<b>1.085</b>

The outcomes in Table 4.10 shows that 44.8% of the respondents concurred with the explanation that goods, works and services procured in their organization met the needs of users, 41.3% disagreed while 13.8% were neutral (AVR = 2.954, ST.DEV = 1.055). The discoveries additionally show that 56.3% of the respondents concurred that merchandise, works and administrations acquired are of good quality, 34.5% differ while 9.2% were nonpartisan (AVR = 3.252, ST.DEV = 0.979). The outcomes likewise show that 51.7% of the respondents concurred that there are no stalled projects in their entity, 41.4% disagreed while 6.9% were neutral (AVR = 3.092, st.dev = 1.235). The overall average results (AVR = 3.097, ST.DEV = 1.085) imply that some of the organizations have set up measures to guarantee adequacy in procurement of goods and services.

#### **4.5.1.2 Economy**

The respondents were given three things assessed on a five point Likert scale going from: Firmly deviate; dissent; impartial; concur and emphatically concur from which to pick. The discoveries are introduced in Table 4.11.

**Table 4. 5: Frequencies and Percentages for Economy**

<b>Statement</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>AVR</b>	<b>St.dev. Dev</b>
Goods, works and services of good quality or standard are procured at lowest possible cost	8.0% (7)	36.8% (32)	4.6% (4)	47.1% (41)	3.4% (3)	3.011	1.114
The firm ensures optimal request amount that limits its complete costs connected with requesting, getting, and holding stock	3.4% (3)	29.9% (26)	12.6% (11)	51.7% (45)	2.3% (2)	3.195	1.009
The firm ensures no pilferage or loss of procured goods	16.1% (14)	26.4% (23)	13.8% (12)	43.7% (38)	0.0% (0)	2.850	1.156
<b>Average</b>						<b>3.015</b>	<b>1.091</b>

The outcomes in Table 4.11 shows that 50.5% of the respondents concurred with the assertion Goods, works and services of good quality or standard are procured at lowest possible cost, 44.8% disagreed while 4.6% were neutral (AVR = 3.011, st.dev = 1.114). The findings also show that 54% of the respondents concurred that the firm guarantees ideal request amount that limits its absolute costs connected with requesting, getting, and holding stock, 33.4% differ while 12.6% were nonpartisan (AVR = 3.195, ST.DEV= 1.009). The outcomes additionally show that 43.7% of the respondents concurred that the firm guarantees no pilferage or loss of acquired products, 42.5% differ while 13.8% were impartial (AVR = 2.850, ST.DEV = 1.156). The general typical outcomes (AVR = 3.015, ST.DEV = 1.091) suggest that a portion of the associations have set up measures to guarantee economy in obtainment of labor and products.

#### **4.5.1.3 Efficiency**

The respondents were given eight things assessed on a five point Likert scale going from: To a very uncommon degree; overall; To a moderate degree; To a less degree and not by any stretch from which to pick. The discoveries are introduced in Table 4.12.

**Table 4. 6: Frequencies and Percentages for Efficiency**

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	AVR	St.dev. Dev
The entity delivered the planned procurement needs without exceeding its budget	9.2% (8)	34.5% (30)	13.8% (12)	36.8% (32)	5.7% (5)	2.954	1.150
There is timely delivery of goods, works and services	5.7% (5)	29.9% (26)	17.2% (15)	47.1% (41)	0.0% (0)	3.057	1.004
All goods, works and services procured have been utilized	8.0% (7)	27.6% (24)	18.4% (16)	40.2% (35)	5.7% (5)	3.080	1.112
<b>Average</b>						<b>3.029</b>	<b>1.086</b>

The results in Table 4.12 shows that 42.5% of the respondents agreed that the entity delivered the planned procurement needs without exceeding its budget, 43.7% disagreed while 13.8% were neutral (AVR = 2.954, st.dev = 1.150). The findings also show that 47.1% of the respondents agreed that there is timely delivery of goods, works and services, 35.6% disagreed while 17.2% were neutral (AVR = 3.057, st.dev = 1.004). The results also show that 45.9% of the respondents agreed that all goods, works and services procured have been utilized, 35.6% disagreed while 18.4% were neutral (AVR = 3.080, st.dev = 1.112). The overall average results (AVR = 3.029, st.dev = 1.086) imply that some of the organizations have put in place measures to ensure efficiency in procurement of goods and services.

#### **4.5.2 Descriptive statistics for Procurement Practices**

The section outlines the descriptive statistics of procurement practices which was the independent variable. The indicators for the independent factors were acquisition arranging, provider obtaining, supplies the board and E-acquirement.

##### **4.5.2.1 Descriptive Statistics for Procurement Planning**

The study looked to lay out the impact of acquisition anticipating an incentive for cash in state companies. The unmistakable measurements are introduced in Table 4.13.

**Table 4. 7: Frequencies, AVR and Standard Deviation for Procurement Planning.**

<b>Statement</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>AVR</b>	<b>St.dev. Dev</b>
Users and public are requested/participate to identify the goods, works and services to be procured in order to develop the procurement plan	0.0% (0)	32.2% (28)	0.0% (0)	49.4% (18.4)	18.4% (16)	3.540	1.128
Proper need assessment is done before goods, works and services are incorporated in the procurement plan	11.5% (10)	33.3% (29)	4.6% (4)	43.7% (38)	6.9% (6)	3.011	1.234
Proper description, quantity and expected cost is indicated in the procurement plan	0.0% (0)	17.2% (15)	12.6% (11)	59.8% (52)	10.3% (9)	3.632	0.890
The procurement plan is aligned with the financial budget	0.0% (0)	13.8% (12)	12.6% (11)	56.3% (49)	17.2% (15)	3.770	0.898
The procurement plan is prepared and approved in time before the start of the respective financial year	0.0% (0)	33.3% (29)	12.6% (11)	41.4% (36)	12.6% (11)	3.333	1.074
Goods are procured in adherence with the procurement plan	10.3% (9)	29.9% (26)	16.1% (14)	37.9% (33)	5.7% (5)	2.988	1.156
The procurement plan clearly indicates the procurement method to be used for each item to be procured	0.0% (0)	21.8% (19)	9.2% (8)	46.0% (40)	23.0% (20)	3.701	1.057
Reservation is made for AGPO as per the procurement rules and regulation	0.0% (0)	33.3% (29)	16.1% (14)	43.7% (38)	6.9% (6)	3.241	0.999
<b>Average</b>						<b>3.389</b>	<b>1.048</b>

The findings in Table 4.13 shows that 67.8% of the respondents agreed with the statement that users and public are requested/participate to identify the goods, works and services to be procured in order to develop the procurement plan, 32.2% disagreed (AVR = 3.540, st.dev = 1.128). Similarly, 50.6% of the respondents agreed that proper need assessment is done before goods, works and services are incorporated in the procurement plan, 44.8% disagreed while 4.6% (AVR = 3.011, st.dev = 1.1234). The findings also indicate that 61.1% agreed that proper description, quantity and expected cost is indicated in the procurement plan, 17.2% disagreed while 12.6% were neutral (AVR = 3.632, st.dev = 0.890), 73.5% agreed that the procurement plan is aligned with the financial budget, 13.8% disagreed while 12.6% were neutral (AVR = 3.770, st.dev = 0.898), 54.1% agreed that the procurement plan is prepared and approved in time before the start of the respective financial year, 33.3% disagreed while 12.6% were neutral (AVR = 3.333, st.dev = 1.074), 43.6% agreed that goods are procured in adherence with the procurement plan, 40.2% disagreed while 16.1% were neutral (AVR = 2.988, st.dev = 1.156), 69% agreed that the procurement plan clearly indicates the procurement method to be used for each item to be procured, 21.8% disagreed while 9.2% were neutral (AVR = 3.701, st.dev = 1.057) while 50.6% agreed that reservation is made for AGPO as per the procurement rules and regulation, 33.3% disagreed while 16.1% were neutral (AVR = 3.241, st.dev = 0.999). The overall average results (AVR = 3.389, st.dev = 1.048) imply that some of the organizations have implemented procurement planning practices.

#### **4.5.2.2 Descriptive statistics for Supplier Sourcing.**

The review tried to lay out the impact of provider obtaining rehearses on incentive for cash in state organizations in Kenya. The graphic measurements are introduced in Table 4.14.



**Table 4. 8: Frequencies, AVR and Standard Deviation for Supplier Sourcing**

<b>Statement</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>AVR</b>	<b>St.dev. Dev</b>
Tenders are advertised in wide circulating media	0.0% (0)	34.6% (30)	4.6% (4)	46.0% (40)	14.9% (13)	3.413	1.115
Suppliers are prequalified before being engaged	0.0% (0)	19.5% (17)	13.8% (12)	43.7% (38)	23.0% (20)	3.701	1.035
The goods, works or services are properly specified in tender documents	0.0% (0)	23.0% (20)	13.8% (12)	56.3% (49)	6.9% (6)	3.471	0.925
Consultants are engaged when necessary to prepare BQs and to assist during evaluation of suppliers	0.0% (0)	31.1% (27)	17.2% (15)	40.2% (35)	11.5% (10)	3.321	1.039
Tendering process is handled by a tender committees that are properly constituted as per the PPADA Act	0.0% (0)	20.7% (18)	6.9% (6)	46.0% (40)	26.4% (23)	3.781	1.061
Due diligence is done before awarding suppliers	0.0% (0)	35.6% (31)	10.3% (9)	54.0% (47)	0.0% (0)	3.183	0.934
The evaluation criteria is based on financial and non-financial dimension to ensure quality, quantity and cost	0.0% (0)	33.3% (29)	18.4% (16)	48.3% (42)	0.0% (0)	3.149	0.896
Proper instructions is given to suppliers regarding tendering procedures and requirements as per the standard documents provided by PPRA	0.0% (0)	17.2% (15)	12.6% (11)	56.3% (49)	13.8% (12)	3.666	0.923
Tenders are opened by not less than three persons	0.0% (0)	24.1% (21)	16.1% (14)	49.4% (43)	10.3% (9)	3.459	0.974
Suppliers are allowed to attend tender opening meetings	0.0% (0)	33.3% (29)	21.8% (19)	44.8% (39)	0.00% (0)	3.114	0.881
There is a procurement policy/manual that guides the procurement function	6.9% (6)	25.3% (22)	10.3% (9)	51.7% (45)	5.7% (5)	3.241	1.109
<b>Average</b>						<b>3.402</b>	<b>0.987</b>

The discoveries in Table 4.14 shows that 60.8% of the respondents concurred with the explanation that tenders are advertised in wide circulating media, 34.6% disagreed while 4.6% were neutral (AVR = 3.413, st.dev = 1.115). Similarly, 66.7% of the respondents agreed that suppliers are prequalified before being engaged, 19.5% disagreed while 13.8% were neutral (AVR = 3.701, st.dev = 1.035). The findings also indicate that 63.2% agreed that the goods, works or services are properly specified in tender documents, 23.0% disagreed while 13.8% were neutral (AVR = 3.471, st.dev = 0.925), 51.7% agreed that consultants are engaged when necessary to prepare BQs and to assist during evaluation of suppliers, 31.1% disagreed while 17.2% were neutral (AVR = 3.321, st.dev = 1.039), 72.4% agreed Tendering process is handled by a tender committees that are properly constituted as per the PPADA Act, 20.7% disagreed while 6.9% were neutral (AVR = 3.781, st.dev = 1.061), 54.0% agreed that due diligence is done before awarding suppliers, 35.6% disagreed while 10.3% were neutral (AVR = 3.183, st.dev = 0.934), 48.3% agreed that the evaluation criteria is based on financial and non-financial dimension to ensure quality, quantity and cost, 33.3% disagreed while 18.4% were neutral (AVR = 3.149, st.dev = 0.896). The findings also indicate that 70.1% agree that proper instructions is given to suppliers regarding tendering procedures and requirements as per the standard documents provided by PPRA, 17.2% disagreed while 12.6% were neutral (AVR = 3.666, st.dev = 0.923), 59.7% agreed that tenders are opened by not less than three persons, 24.1% disagreed while 16.1% were neutral (AVR = 3.459, st.dev = 0.974), 44.8% agreed that Suppliers are allowed to attend tender opening meetings, 33.3% disagreed while 21.8% were neutral (AVR = 3.114, st.dev = 0.881). In addition, 57.4% agreed that there is a procurement policy/manual that guides the procurement function, 32.3% disagreed while 10.3% were neutral (AVR = 3.241, st.dev = 1.109). The overall average results (AVR = 3.402, st.dev = 0.987) imply that some of the organizations have implemented the supplier sourcing practices.

#### **4.5.2.3 Descriptive statistics for Supplies Management.**

The study sought to establish the effect of supplies management practices on value for money in state corporations in Kenya. The descriptive statistics are presented in Table 4.15.

**Table 4. 9: Frequencies, AVR and Standard Deviation for Supplies Management.**

<b>Statement</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>AVR</b>	<b>St.dev. Dev</b>
Goods, works and services are inspected against the local purchase order before payment	9.2% (8)	28.7% (25)	13.8% (12)	41.4% (36)	6.9% (6)	3.080	1.163
Close supervision of purchases is done to control costs, ensure delivery or timely and proper implementation of projects	5.7% (5)	27.6% (24)	16.1% (14)	47.1% (41)	3.4% (3)	3.149	1.051
Supplier evaluation is periodically undertaken to ensure quality of the goods and services.	4.6% (4)	29.9% (26)	12.6% (11)	49.4% (43)	3.4% (3)	3.172	1.047
Reviews of the procurement system are done at regular intervals	6.9% (6)	33.3% (29)	14.9% (13)	44.8% (39)	0.0% (0)	2.977	1.034
Impediments in the procurement process are mitigated in a timely manner	2.3% (2)	21.8% (19)	19.5% (17)	50.6% (44)	5.7% (5)	3.356	0.964
Contracts are monitored to ensured implementation as per contract agreement.	4.6% (4)	35.6% (31)	9.2% (8)	47.1% (41)	3.4% (3)	3.092	1.074
There is proper audit of procured goods and services	0.0% (0)	26.4% (23)	13.8% (12)	42.5% (37)	17.2% (15)	3.505	1.066
Procurement bids are evaluated by an independent committee	5.7% (5)	27.6% (24)	11.5% (10)	51.7% (45)	3.4% (3)	3.195	1.065
Procurement bids are opened by an independent committee	4.6% (4)	25.3% (22)	8.0% (7)	57.5% (50)	4.6% (4)	3.321	1.050
Invoices are checked against the local purchase order and delivery note before payment	0.0% (0)	36.8% (32)	9.2% (8)	51.7% (45)	2.3% (2)	3.195	0.974
There are controls to mitigate bid-rigging i.e. tender and quotation boxes	6.9% (6)	32.2% (28)	16.1% (14)	37.9% (33)	6.9% (6)	3.057	1.124
<b>Average</b>						<b>3.187</b>	<b>1.054</b>

The discoveries in Table 4.15 shows that 48.3% of the respondents concurred with the explanation that products, works and administrations are assessed against the nearby buy request before payment, 37.9% disagreed while 13.8% were neutral (AVR = 3.080, st.dev = 1.163). Similarly, 50.05% of the respondents agreed that Close supervision of purchases is done to control costs, ensure delivery or timely and proper implementation of projects, 33.3% disagreed while 16.1% were neutral (AVR = 3.149, st.dev = 1.051). The discoveries additionally show that 52.9% of the respondents concurred that Provider assessment is occasionally embraced to guarantee nature of the labor and products, 34.5% disagreed while 12.6% were neutral (AVR = 3.172, st.dev = 1.047), 44.8% agreed that reviews of the procurement system are done at regular intervals, 40.2% disagreed while 14.9% were neutral (AVR = 2.977, st.dev = 1.034), 56.3% agreed that Impediments in the procurement process are mitigated in a timely manner, 24.1% disagreed while 19.5% were neutral (AVR = 3.356, st.dev = 1.061), 50.5% agreed that contracts are monitored to ensured implementation as per contract agreement, 40.2% disagreed while 9.2% were neutral (AVR = 3.092, st.dev = 1.074), 59.7% agreed that there is proper audit of procured goods and services, 26.4% disagreed while 13.8% were neutral (AVR = 3.183, st.dev = 0.934), 55.1% agreed that Procurement bids are evaluated by an independent committee, 33.3% disagreed while 11.5% were neutral (AVR = 3.149, st.dev = 0.896). The findings also indicate that 62.1% agree that Invoices are checked against the local purchase order and delivery note before payment, 29.9% disagreed while 8.0% were neutral (AVR = 3.666, st.dev = 0.964), 54% agreed that Invoices are checked against the local purchase order and delivery note before payment, 36.8% disagreed while 9.2% were neutral (AVR = 3.092, st.dev = 1.074), 44.8% agreed that there are controls to mitigate bid-rigging i.e. tender and quotation boxes, 39.1% disagreed while 16.1% were neutral (AVR = 3.505, st.dev = 1.066). The overall average results (AVR = 3.187, st.dev = 1.054) imply that some of the organizations have implemented the supplies management practices.

#### **4.5.2.4 Descriptive Statistics for E-Procurement.**

The study sought to establish the effect of E-procurement on value for money in state corporations in Kenya. The descriptive statistics are presented in Table 4.16.

**Table 4. 10: Frequencies, AVR and Standard Deviation for E-Procurement.**

<b>Statement</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>AVR</b>	<b>St.dev. Dev</b>
The system is utilized in preparing a procurement plan	0.0% (0)	29.9% (26)	18.4% (16)	37.9% (33)	13.8% (12)	3.356	1.056
The system enables advertising of tenders	2.3% (2)	32.2% (28)	21.8% (19)	43.7% (38)	0.00% (0)	3.069	0.925
Tenders are received through the system	16.1% (14)	37.9% (33)	11.5% (10)	31.0% (27)	3.4% (3)	2.678	1.176
Tenders are evaluated by the system	9.2% (8)	39.1% (34)	12.6% (11)	36.8% (32)	2.3% (2)	2.839	1.098
Goods are ordered electronically	12.6% (11)	41.4% (36)	11.5% (10)	34.5% (30)	0.0% (0)	2.678	1.083
Suppliers are paid electronically	5.7% (5)	21.8% (19)	13.8% (12)	41.4% (36)	17.2% (15)	3.425	1.177
Stock records are maintained by the system	6.9% (6)	25.3% (22)	14.9% (13)	42.5% (37)	10.3% (9)	3.241	1.150
<b>Average</b>						<b>3.027</b>	<b>1.092</b>

The findings in Table 4.16 shows that 51.7% of the respondents agreed with the statement that the system is utilized in preparing a procurement plan, 29.9% disagreed while 18.4% were neutral (AVR = 3.356, st.dev = 1.056). Similarly, 43.7% of the respondents agreed that the system enables advertising of tenders, 34.5% disagreed while 21.8% were neutral (AVR = 3.069, st.dev = 0.925). The findings also indicate that 54% of the respondents disagreed with the statement that tenders are received through the system, 34.4% agreed while 11.5% were neutral (AVR = 2.678, st.dev = 1.176), 48.3% disagreed with the statement that tenders are evaluated by the system, 39.1% agreed while 12.6% were neutral (AVR = 2.678, st.dev = 1.176), 54% disagreed with the statement that goods are ordered electronically, 34.5% agreed

while 11.5% were neutral (AVR = 2.678, st.dev = 1.083), 58.6% agreed that suppliers are paid electronically, 27.5% disagreed while 13.8% were neutral (AVR = 3.425, st.dev = 1.177).

The results also indicate that 52.8% agreed that Stock records are maintained by the system, 22.2% disagreed while 14.9% were neutral (AVR = 3.241, st.dev = 1.150). The overall average results (AVR = 3.027, st.dev = 1.092) imply that some of the organizations have implemented the supplies management practices.

#### 4.6 Connection Examination.

Pearson correlational examination was finished to decide the connection between the acquisition practices and an incentive for cash in State Companies in Kenya. The outcomes are introduced in Table 4.17.

**Table 4. 16: Connection Grid for Procurement Practices and Value for Money**

		<b>Procurement Planning</b>	<b>Supplies Sourcing</b>	<b>Supplies Management</b>	<b>E-Procurement</b>
<b>Value for Money</b>	Pearson Correlation	.200**	.323**	.235*	.731**
	Sig. (2-tailed)	.023	.002	.028	.000
	N	87	87	87	87

\*\* . Relationship is critical at the 0.01 level (2-followed).

\*. Relationship is critical at the 0.05 level (2-followed).

The connection brings about Table 4:17 demonstrate a positive critical relationship between's obtainment arranging (r =.200, p-value<0.01) and an incentive for cash. This suggests that an expansion in execution of acquisition arranging rehearses is related with an expansion in incentive for cash. The outcomes likewise show that the connection between's provisions obtaining and an incentive for cash is positive and critical (r =0.323, p-value<0.01). This proposes that an expansion in execution of provisions obtaining rehearses is related with an expansion in incentive for cash. Likewise, the connection between's provisions the board and an incentive for cash is positive and inconsequential (r =0.235, p-value<0.05). This suggests that an expansion in execution of provisions the board rehearses is related with an expansion in incentive for cash furthermore, the connection between's e-acquisition and an incentive for cash is positive and huge (r =-0.731, p-value<0.01). This proposes that an expansion in execution of

e-acquirement is related with an expansion in incentive for cash. The outcomes are in concurrence with earlier examinations by (Onyango, 2014; Makabira and Waiganjo, 2014; Ogwang & Waweru, 2017; Kibet & Njeru, 2014; Salim & Kitheka, 2019)

#### 4.7 Testing of Theories

Inferential examination was utilized to test the speculations in the review. This segment presents the consequences of the speculations tests. To make factors for the relapse information, factor examination was utilized. In particular, the regression constructs were obtained using the principle component analysis. Tests for Bartlett's sphericity and Kaiser Meyer Olkin (KMO) sample adequacy were employed to determine whether the principal component analysis' output was appropriate for regression. Appendix (VIII) contained the findings for all testing. The sample was sufficient for further analysis because the KMO index for all the variables was greater than 0.5. The factor analysis was also appropriate because all of the variables' p values for the Bartlett's test measurements were under 0.05. The factors created were acquisition arranging, provider obtaining, supplies the board and e-acquirement. The relapse results are presented in Table 4.18, 4.19 and 4.20, 4.21 and Figure 4.1.

**Table 4. 11: Model Summary**

Model	R	R Square	Adjusted R Square	St.dev. Error of the Estimate
1	.821 <sup>a</sup>	.674	.658	.52853

a. Predictors: (Constant), Procurement Planning, Supplies Sourcing, Supplies Management, E-Procurement

The outcomes in Table 4.18 shows that the coefficient of assurance (R<sup>2</sup>) is 0.674 suggesting that the model assessed makes sense of 67.4% of the varieties in the incentive for cash in state companies in Kenya.

**Table 4. 12: ANOVA<sup>a</sup>**

Model		Sum of Squares	df	AVR Square	F	Sig.
1	Regression	47.324	4	11.831	42.353	.000 <sup>b</sup>
	Residual	22.906	82	.279		
	Total	70.230	86			

- a. Dependent Variable: Value for Money in State corporations in Kenya
- b. Predictors: (Constant), Procurement Planning, Supplies Sourcing, Supplies Management, E-Procurement

The aftereffects of the Examination of Fluctuation (ANOVA) demonstrated in Table 4.19 shows that the connection between procurement practices and value for money in state corporations in Kenya is significant ( $F = 42.353$ ,  $sig < .05$ ). This implies that the procurement practices significantly affect the value for money in state corporations in Kenya. Procurement Planning, Supplies Sourcing, Supplies Management and E-Procurement are therefore statistically acceptable as useful in predicting the value for money in state corporations in Kenya.

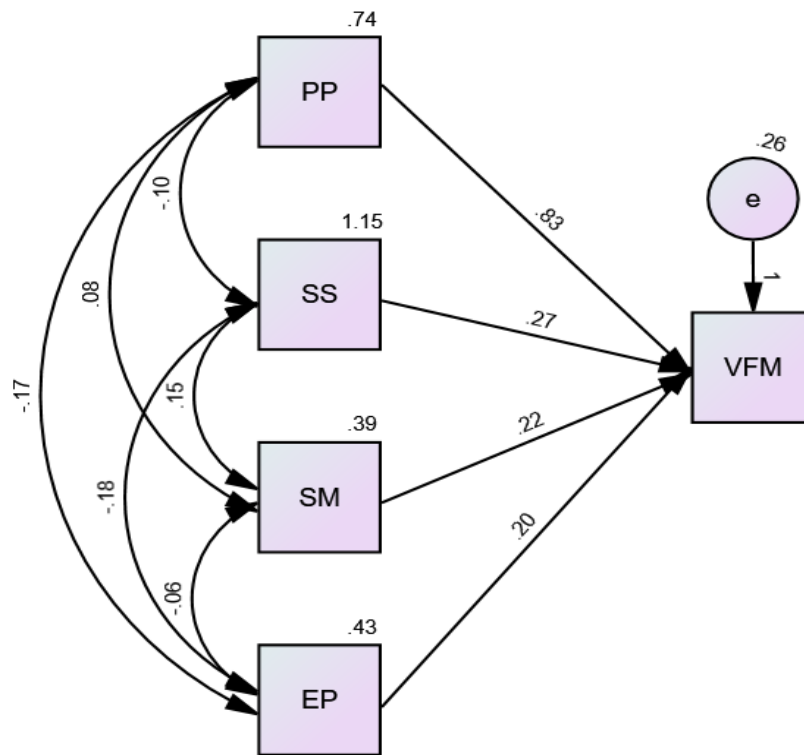
**Table 4. 13: Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	St.dev. Error	Beta		
(Constant)	1.561	.526		2.967	.004
Procurement Planning (PP)	.828	.072	.790	11.521	.000
Supplies Sourcing(SS)	.274	.057	.327	4.778	.000
Supplies Management (SM)	.219	.095	.151	2.292	.024
E-Procurement (EP)	.202	.095	.148	2.124	.037

- a. Dependent Variable: Value for Money in State Corporations in Kenya

The outcomes in table 4.20 give the coefficients of the factors utilized in the review. Path analysis was also generated and presented in figure 4.1





**Figure 4. 1: Path Analysis**

**Where:** PP is Procurement Planning, SS is Supplies Sourcing, SM is Supplies Management, EP is E-Procurement.

**Table 4. 14: Regression Weights**

			Estimate	S.E.	C.R.	P
VFM	<---	PP	.828	.070	11.798	***
VFM	<---	SS	.274	.056	4.893	***
VFM	<---	SM	.219	.093	2.348	.019
VFM	<---	EP	.202	.093	2.175	.030

$Y = 1.561 + .828 PP + .274 SS + .219 SM + .202 EP$ ..... Equation 4.1

The discoveries show that the consistent term is 1.561, suggesting that holding the factors viable to nothing, could result to 1.561 units of significant worth for cash. This could be because of different variables not thought about in this review.

The relapse coefficient acquisition arranging is (.828,  $p < .05$ ). This suggests that holding other free factors to nothing, an expansion in obtainment arranging variable by 1 unit results to an increment of 0.828 units in incentive for cash. This recommends that acquirement arranging decidedly and altogether influence the incentive for cash in state enterprises in Kenya. The discoveries are in concurrence with earlier examinations by (Onyango, 2014; Makabira and Waiganjo, 2014; Ogwang and Waweru, 2017; Kibet and Njeru, 2014; Salim and Kitheka, 2019). The invalid speculation that acquisition arranging AVRingly affects an incentive for cash in State Partnerships in Kenya was in this manner dismissed.

The coefficient for provisions obtaining is (.274,  $p < .05$ ). This suggests that holding other free factors to nothing, an expansion in provisions obtaining variable by 1 unit results to increment of 0.274 units in incentive for cash. The outcomes recommend that that provisions obtaining rehearses decidedly and altogether influence the incentive for cash in state enterprises in Kenya. The discoveries concur with concentrates by (Kiiver and Kodym, 2015; Quinot and Arrowsmith, 2013; Burger and Hawkesworth, 2011, Dede and Theuri, 2018). The invalid speculation that provider obtaining significantly affects an incentive for cash in State Partnerships in Kenya was in this manner dismissed.

The coefficient for provisions the executives is (.219,  $p < .05$ ). This demonstrates that holding other autonomous factors to nothing, an expansion in provisions the executives variable by 1 unit results to increment of 0.219 units in incentive for cash. It suggests that provisions the board rehearses decidedly impact the incentive for cash in State Companies in Kenya. The outcomes are in concurrence with concentrates by (Gallego, 2011; Asare and Prempeh, 2016, Mchopa, 2015). The invalid speculation that provisions the executives AVRingly affects an incentive for cash in State Companies in Kenya was consequently dismissed. The coefficient for e-acquisition is (.202,  $p < .05$ ). This shows that holding other autonomous factors to nothing, an expansion in e-obtainment variable by 1 unit results to increment of 0.202 units in incentive for cash. The outcomes propose that e-acquirement decidedly impact the incentive for cash in

State Companies in Kenya. The discoveries are in concurrence with earlier examinations by (Auriol et al., 2016; Mélon and Spruk, 2019; Elbahnasawy, 2014). The invalid speculation that reception of E-acquisition affects an incentive for cash in State Organizations in Kenya is subsequently dismissed.

## CHAPTER FIVE

### OUTLINE OF DISCOVERIES, END, AND SUGGESTIONS

#### 5.1 Presentation

This part presents the outline of the revelations, end, recommendations, and thoughts for extra investigation.

#### 5.2 Summary of the Discoveries

This study looked to decide the impact of acquirement rehearses on incentive for cash in State Companies in Kenya. The particular goals were to survey the impact of acquirement anticipating an incentive for cash in State Partnerships in Kenya, to decide the impact of provider obtaining on incentive for cash State Companies in Kenya, to look at the impact of provisions the board on incentive for cash in State Organizations in Kenya and to assess the impact of E-acquisition on incentive for cash in State Enterprises in Kenya.

##### 5.2.1 Procurement Planning and Value for Money in State Corporations in Kenya.

The review tried to lay out the impact of acquirement anticipating an incentive for cash in state partnerships in Kenya. The discoveries showed that the state organizations have carried out arranging rehearses that add to an incentive for cash. The practices incorporate including clients and general society to partake in distinguishing the merchandise, works and administrations to be obtained to foster the acquirement plan. It was additionally obvious that need evaluation was finished before products, works and administrations are consolidated in the acquirement plan. Likewise, legitimate depiction, amount and expected cost was shown in the obtainment plan and the acquirement plan was lined up with the monetary spending plan. The state enterprises additionally pre-arranged the acquirement plans and the equivalent was endorsed before the beginning of the separate monetary year. The acquirement plan obviously demonstrated the acquisition technique to be utilized for every thing to be secured and reservation was made for AGPO according to the obtainment rules and guideline. To decide the impact of obtainment anticipating an incentive for cash in state partnerships in Kenya, the invalid speculation that Acquisition arranging affects an incentive for cash in State Enterprises in Kenya was tried utilizing relapse examination.

The relapse results showed that acquirement arranging decidedly and fundamentally influence the incentive for cash in state enterprises in Kenya. The invalid speculation that obtainment arranging AVRingly affects an incentive for cash in State Partnerships in Kenya was in this way dismissed.

##### 5.2.2 Supplier Sourcing and Value for Money in State Corporations in Kenya.

The study sought to establish the effect of suppliers sourcing on value for money in state corporations in Kenya. The results indicated that the state corporations have put in place practices which facilitate value for money. Some of the practices include advertising tenders in wide circulating media, suppliers were prequalified before being engaged, the goods, works or services are properly specified in tender documents. The results also indicated that consultants are engaged when necessary to prepare BQs and to assist during evaluation of suppliers, tendering process is handled by a tender committee that are properly constituted as per the PPADA Act, due diligence is done before awarding suppliers, the evaluation criteria was based on financial and non-financial dimension to ensure quality, quantity and cost. The findings also indicate that proper instructions were given to suppliers regarding tendering procedures and requirements as per the standard documents provided by PPRA, tenders were opened by not less than three persons, suppliers were allowed to attend tender opening meetings and there was a procurement policy or manual that guides the procurement function.

To determine the influence of supplier sourcing on value for money in state corporations in Kenya, the null hypothesis that supplier sourcing has no significant effect on value for money in State Corporations in Kenya was tested using regression analysis. The results showed that supplies sourcing practices positively and significantly affect the value for money in state corporations in Kenya. The null hypothesis that supplier sourcing has no significant effect on value for money in State Corporations in Kenya was thus rejected.

### **5.2.3 Supplies Management and Value for Money in State Corporations in Kenya.**

The review tried to lay out the impact of provisions the board on incentive for cash in state organizations in Kenya. The outcomes demonstrated that the partnerships have set up provisions the executives practices to improve an incentive for cash.

The supplies management practices put in place include ensuring that goods, works and services are inspected against the local purchase order before payment, close supervision of purchases in order to control costs, ensure timely delivery and proper implementation of projects.

The findings also indicated that supplier evaluation was periodically undertaken to ensure quality of the goods and services, reviews of the procurement system were done at regular intervals, impediments in the procurement process were mitigated in a timely manner, due diligence was done before awarding suppliers, the evaluation criteria were based on financial and non-financial dimension to ensure quality, quantity and cost. The findings also indicate that proper

instructions was given to suppliers regarding tendering procedures and requirements as per the standard documents provided by PPRA, contracts were monitored to ensure implementation as per contract agreement, there was proper audit of procured goods and services, procurement bids were evaluated by an independent committee, agreed that invoices were checked against the local purchase order and delivery note before payment and there were controls to mitigate bid-rigging.

To decide the impact of provider obtaining on incentive for cash in state partnerships in Kenya, the invalid speculation that provisions the board affects an incentive for cash in State Enterprises in Kenya was tried utilizing relapse examination. The outcomes demonstrated that provisions the board rehearses emphatically and fundamentally impact the incentive for cash in State Companies in Kenya. The invalid speculation that provisions the executives affects an incentive for cash in State Partnerships in Kenya was in this manner dismissed

#### **5.2.4 E-procurement and Value for Money in State Corporations in Kenya.**

The review tried to lay out the impact of e-obtainment on incentive for cash in state companies in Kenya. The outcomes demonstrated that the state enterprises have used e-procurement to undertake some of the procurement processes which include preparing a procurement plan, advertising of tenders, processing payments and maintenance of stock records. However, the respondents disagreed with the statement that tenders were received, evaluated or ordered through the e-procurement system.

To decide the impact of e-acquirement on incentive for cash in state organizations in Kenya, the invalid speculation that e-obtainment affects an incentive for cash in State Partnerships in Kenya was tried utilizing relapse investigation. The outcomes recommend that e-acquisition decidedly impact the incentive for cash in State Partnerships in Kenya. The invalid speculation that reception of E-obtainment AVRingly affects an incentive for cash in State Partnerships in Kenya is accordingly dismissed.

### 5.3 Conclusions

The review makes the accompanying end in accordance with the discoveries.

#### **5.3.1 Procurement Planning and Value for Money in State Corporations in Kenya.**

The state companies have laid out and executed obtainment arranging rehearses to improve an incentive for cash. The practices that the state partnerships used remember the contribution of clients and public for recognizing the merchandise, works and administrations to be obtained to foster the acquirement plan. Also, state enterprises embraced need appraisal before merchandise, works and administrations were consolidated in the obtainment plan.

The state companies likewise guaranteed appropriate portrayal, amount and expected cost were demonstrated in the acquirement plan and the acquisition plan was lined up with the monetary spending plan. The acquirement plans were likewise ready on time and the equivalent were supported before the beginning of the individual monetary year. The arrangement plainly showed the obtainment strategy to be utilized for every thing that should have been secured and the arrangement was ready in adherence to the acquirement rules and guideline. The review reasons that acquisition arranging rehearses decidedly and altogether influence the incentive for cash in state organizations in Kenya.

#### **5.3.2 Supplier Sourcing and Value for Money in State Corporations in Kenya.**

The state corporations have put in place supplier sourcing practices to enhance value for money. The practices include advertising of tenders in wide circulating media, prequalifying suppliers before being engaged, properly specifying the goods, works or services in tender documents. In addition, state corporations engaged consultants when necessary to prepare BQs and to assist during evaluation of suppliers.

The institutions have established a tender committee that was properly constituted as per the PPADA Act to handle the tendering process, undertook due diligence before awarding suppliers, had an evaluation criteria based on financial and non-financial dimension to ensure quality, quantity and cost. In addition, proper instructions were issued to suppliers regarding tendering procedures and requirements as per the standard documents provided by PPRA, tenders were also opened by not less than three persons, suppliers were allowed to attend tender opening meetings and procurement policy or manual was maintained to guide the procurement function. The study concludes that supplies sourcing practices positively and significantly affect the value for money in the state corporations in Kenya.

### **5.3.3 Supplier Sourcing and Value for Money in State Corporations in Kenya.**

The state companies have set up provider obtaining practices to further develop an incentive for cash. The practices incorporate examination of products, works and administrations against the nearby buy request before installment, close oversight of buys to control costs, guarantee conveyance or opportune and legitimate execution of tasks. Provider execution assessment was likewise embraced occasionally to guarantee nature of the labor and products, surveys of the obtainment framework was finished on normal spans, relieving obstructions in the acquirement cycle was finished as quickly as possibly, an expected level of effort was finished prior to granting providers, an assessment rule that depended on monetary and non-monetary aspect was set up to guarantee quality, amount and cost.

Appropriate directions were likewise given to providers seeing offering methodology and prerequisites according to the standard reports given by PPRA, contracts were observed to guarantee execution according to contract understanding, legitimate review of acquired labor and products was attempted, obtainment offers were assessed by a free panel, solicitations were checked against the neighborhood buy request and conveyance note before installment and controls to moderate bid-fixing were set up. The review reasons that provisions the executives rehearses emphatically and essentially impact the incentive for cash in State Enterprises in Kenya.

### **5.3.4 E-procurement and Value for Money in State Corporations in Kenya.**

The state corporations utilized E-procurement to facilitate procurement processes and enhance value for money. E-procurement was crucial in preparing a procurement plan, advertising of tenders, processing payments and maintenance of stock records. However, the state corporations have not fully utilized e-procurement for instance to undertake other services like receiving tenders, evaluation or ordering goods and services. In spite of this, the study concludes that E-procurement positively influence the value for money in State Corporations in Kenya.

## **5.4 Recommendations**

The review makes the accompanying suggestions on training and strategy in accordance with the outcomes.



#### **5.4.1 Recommendations on Practice**

The review prescribes that to guarantee an incentive for cash, head of acquirement capability in state partnerships ought to get ready obtainment designs and guarantee the equivalent is endorsed before the beginning of the particular monetary year. The head of obtainment ought to likewise guarantee that all partners are associated with setting up the acquirement plan and the arrangement ought to be adjusted to the monetary financial plan. Furthermore, guarantee that the acquirement plan appropriately depicts the labor and products, shows the obtainment technique to be utilized for every thing and ought to be ready in adherence to the acquisition rules and guideline.

Procurement managers should ensure compliance to procurement rules and regulations which require adherence to proper sourcing practices for instance advertising of tenders in wide circulating media, prequalifying of suppliers, and proper specification of goods/services in tender documents. Consultants should also be engaged to prepare BQs and to assist during evaluation of suppliers. Tendering process should be handled by a tender committee that is properly constituted as per the PPADA Act and due diligence should be done before awarding suppliers. Proper instructions should also be given to suppliers regarding tendering procedures and requirements as per the standard documents provided by PPRA, tenders should be opened by not less than three persons, suppliers should be allowed to attend tender opening meetings and there should be a procurement policy or manual that guides the procurement function.

Acquirement chiefs ought to likewise guarantee merchandise, works and administrations ought to be assessed against the nearby buy request before installment, and close oversight of buys ought to be finished. Provider execution assessment ought to be occasionally embraced, surveys of the obtainment framework ought to be finished at normal stretches, obstacles in the acquisition cycle ought to be relieved promptly, and the assessment models ought to be founded on monetary and non-monetary aspect. Appropriate guidelines ought to be given to providers viewing offering methods and prerequisites according to the standard records given by PPRA, agreements ought to be observed to guarantee execution according to contract arrangement, there ought to be legitimate review of obtained labor and products, acquirement offers ought to be assessed by an autonomous board of trustees, solicitations ought to be checked against the neighborhood buy request and conveyance note before installment and there were controls to alleviate bid-fixing. State partnerships ought to use e-acquisition to attempt obtainment cycle and improve an incentive for cash. A portion of the capabilities that can be taken care of through e-obtainment incorporate getting ready acquisition plans, publicizing of tenders, handling installments, getting tenders, assessment or requesting great and upkeep of stock records.

#### **5.4.2 Recommendations on Policy**

The review suggests that public acquirement administrative power (PPRA) ought to think of obtainment strategies that will guarantee authorization of acquisition rules and regulations. This will ensure implementation and adherence to procurement rules and regulations. The procurement policy should also be enhanced to include measures that will ensure training and sensitization of users on procurement rules and regulations. In addition, the procurement policy to include measures to ensure adoption and full implementation of e-procurement by state corporations.

#### **5.4.3 Suggestions for Further Study**

This study zeroed in on the impact of acquisition rehearses on incentive for cash in State Enterprises in Kenya. Future examinations might zero in because of impact of obtainment rehearses on incentive for cash in private or non-state enterprises to see if comparative discoveries can be accomplished.

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## **APPENDICES**

### **APPENDIX I: Introduction Letter**

**John Waci**

**University of Embu**

**School of Business and Economics**

**P.O Box 6- 60100**

**Embu.**

**Dear Respondent,**

#### **RE: REQUEST TO COLLECT DATA FOR MBA RESEARCH PROJECT**

I am an MBA student at the school of Business, University of Embu. I am currently undertaking a research project entitled "**Procurement Practices and Value for Money in State Corporations in Kenya**"

The attached Questionnaire is for gathering data, which will be useful in the above mentioned research. You have been selected as one of the respondents in this study. I therefore request you to kindly facilitate the collection of the required data by answering the questions herein.

Please note that the information sought is purely for academic purposes and will be treated with utmost confidentiality.

I look forward to your co-operation.

Thank You,

John Waci



**APPENDIX II: Questionnaire**

Kindly answer the following questions by ticking in the appropriate box or filling the spaces provided. Information obtained will be used for academic purposes only and will therefore be handled with the highest level of confidentiality. Your corporation will be highly appreciated.

**PART A: RESPONDENT DETAILS AND BIO-DATA**

1. Please indicate your gender

Male  Female

2. Indicate your age bracket

Below 25 years  25-35 years   
36-45 years  Above 45 years

3. How long have you served in the current position?

0-5 yrs  5-10 yrs   
10-15  Over 15 yrs

4. To date, what has been your highest formal qualification?

Secondary School Level  Certificate/ Diploma   
Undergraduate  Post graduate level   
Other (Specify).....

5. Kindly indicate your professional qualification

.....

**PART B: PROCUREMENT PLANNING**

6. To what extent do you agree with following aspects of procurement planning? Use a scale of 1 to 5 where 1= Strongly Disagree, 2= Disagree, 3= Neither agree nor Disagree, 4= Agree and 5 is strongly agree.

<b>Statement</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
Users and public are requested/participate to identify the goods, works and services to be procured in order to develop the procurement plan					
Proper need assessment is done before goods, works and services are incorporated in the procurement plan					
Proper description, quantity and expected cost is indicated in the procurement plan					
The procurement plan is aligned with the financial budget					
The procurement plan is prepared and approved in time before the start of the respective financial year					
Goods are procured in adherence with the procurement plan					
The procurement plan clearly indicates the procurement method to be used for each item to be procured					
Reservation is made for AGPO as per the procurement rules and regulation					

**PART C: SUPPLIER SOURCING**

7. To what extent do you agree with following aspects of supplier sourcing? Use a scale of 1 to 5 where 1= Strongly Disagree, 2= Disagree, 3= Neither agree nor Disagree, 4= Agree and 5 is strongly agree.

<b>Statement</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
Tenders are advertised in wide circulating media					
Suppliers are prequalified before being engaged					
The goods, works or services are properly specified in tender documents					
Consultants are engaged when necessary to prepare BQs and to assist during evaluation of suppliers					
Tendering process is handled by a tender committees that are properly constituted as per the PPADA Act					
Due diligence is done before awarding suppliers					
The evaluation criteria is based on financial and non-financial dimension to ensure quality, quantity and cost					
Proper instructions is given to suppliers regarding tendering procedures and requirements as per the standard documents provided by PPRA					
Tenders are opened by not less than three persons					
Suppliers are allowed to attend tender opening meetings					
There is a procurement policy/manual that guides the procurement function					

**PART D: SUPPLIES MANAGEMENT**

8. To what extent do you agree with following aspects of supplies management? Use a scale of 1 to 5 where 1= Strongly Disagree, 2= Disagree, 3= Neither agree nor Disagree, 4= Agree and 5 is strongly agree.

<b>Statement</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
Goods, works and services are inspected against the local purchase order before payment					
Close supervision of purchases is done to control costs, ensure delivery or timely and proper implementation of projects					
Supplier evaluation is periodically undertaken to ensure quality of the goods and services.					
Reviews of the procurement system are done at regular intervals					
Impediments in the procurement process are mitigated in a timely manner					
Contracts are monitored to ensured implementation as per contract agreement.					
There is proper audit of procured goods and services					
Procurement bids are evaluated by an independent committee					
Procurement bids are opened by an independent committee					
Invoices are checked against the local purchase order and delivery note before payment					
There are controls to mitigate bid-rigging i.e. tender and quotation boxes					

**PART E: E-PROCUREMENT**

9. To what extent do you agree with following aspects of adoption of e-procurement? Use a scale of 1 to 5 where 1= Strongly Disagree, 2= Disagree, 3= Neither agree nor Disagree, 4= Agree and 5 is strongly agree

Statement	5	4	3	2	1
The system is utilized in preparing a procurement plan					
The system enables advertising of tenders					
Tenders are received through the system					
Tenders are evaluated by the system					
Goods are ordered electronically					
Suppliers are paid electronically					
Stock records are maintained by the system					

10. Is the e-procurement system integrated with IFMIS?

Yes [ ] No [ ]

11. Does your organization have an ERP system that has procurement module?

Yes [ ] No [ ]

12. How many years has the e-procurement system be in operation?

0-5 yrs [ ] 5-10 yrs [ ]

10-15 [ ] Over 15 yrs [ ]

**PART F: VALUE FOR MONEY**

**13.** To what extent do you agree with following statements in regards to contribution of the procurement practices adopted by the entity? Use a scale of 1 to 5 where 1= Strongly Disagree, 2= Disagree, 3= Neither agree nor Disagree, 4= Agree and 5 is strongly agree

<b>Statement</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
<b>Effectiveness</b>					
The goods, works and services procured meet the needs of users					
The goods, works and services procured are of good quality.					
There are no stalled projects in the entity					
<b>Economy</b>					
Goods, works and services of good quality or standard are procured at lowest possible cost					
The firm ensures optimal order quantity that minimizes its total costs related to ordering, receiving, and holding inventory					
The firm ensures no pilferage or loss of procured goods					
<b>Efficiency</b>					
The entity delivered the planned procurement needs without exceeding its budget					
There is timely delivery of goods, works and services					
All goods, works and services procured have been utilized					

**APPENDIX III: Summary of Knowledge Gaps**

Author (s)	Study Focus	Methodology	Findings	Research gaps	How the current study intends to fill the gaps
Asare and Prempeh (2016)	Measures of ensuring value for money in public procurement: A Case of Selected Polytechnics in Ghana,	Descriptive research design.	The major challenges that impede achievement of value for money in public procurement were inadequate measures for monitoring and evaluation of the procurement policy to ensure VFM.	The study focused only on Measures of ensuring value for money in public procurement:	This study will focus on four procurement practices namely: procurement planning, supplier sourcing, supplies management and e-procurement
Auriol et al., 2016	Public procurement and rent-seeking: the case of Paraguay	Descriptive research design.	Governments have been adopting e-procurement in the attempt to reduce the discretion of public officials and civil servants that might lead to wasteful allocation of public funds and poor provision of public goods, to ensure transparency and fair competition	The study focused on the reasons for adopting e-procurement	The study focuses on the effect of e-procurement on value for money

Burger & Hawkesworth, (2011)	How to attain value for money: comparing PPP and traditional infrastructure public procurement	Descriptive research design.	In order to achieve value for money, procurement decisions should be based on an optimal combination of quantity, quality and price over the whole of the project's lifetime.	The study focused on How to attain value for money by comparing PPP and traditional infrastructure public procurement without focusing on the other procurement practices which include procurement planning, supplier sourcing, supplies management and e-procurement	This study will focus on four procurement practices namely: procurement planning, supplier sourcing, supplies management and e-procurement
Chang, Tsai, and Hsu (2013)	E-procurement and supply chain performance	Descriptive research design.	relationships, information sharing, and supply chain integration can represent the processes through which e-procurement contributes to supply chain performance	The study focused on strategic sourcing and E-procurement on performance	This study will focus on four procurement practices namely: procurement planning, supplier sourcing, supplies management and e-procurement
Dede and Theuri (2018)	Effect of sourcing practices on procurement performance in state corporations in Kenya: a case of Kenya bureau of standards	Descriptive research design.	Multiple sourcing, green sourcing and global sourcing positively affect performance while single sourcing inversely affects performance	The study focused only on sourcing practices	This study will focus on four procurement practices namely: procurement planning, supplier sourcing, supplies management and e-procurement



Dimitri (2013)	Best value for money in procurement	Descriptive research design.	To award the contract, both monetary and non-monetary components of an offer should be considered	The study focused only on one procurement practice – contract award	This study will focus on four procurement practices namely: procurement planning, supplier sourcing, supplies management and e-procurement
Elbahnasawy (2014)	the impact of e-government on the prevalence of corruption in a large panel of countries	Descriptive research design.	e-procurement reduced corruption	The study focused on strategic sourcing and E-procurement on performance	This study will focus on four procurement practices namely: procurement planning, supplier sourcing, supplies management and e-procurement
Gallego (2011)	Review of existing methods, models and tools for supplier evaluation.	Descriptive research design.	Poor inspection of goods and services resulted in non-delivery of certain items, under delivery or delivery of sub-standard goods	The study focused only on supplies management practices	This study will focus on four procurement practices namely: procurement planning, supplier sourcing, supplies management and e-procurement
Kibet and Njeru (2014)	Effects of procurement planning on procurement performance: a case study of agricultural development corporation	Descriptive research design.	The presence of a procurement portfolio, efficient logistics management and adherence to procurement plans positively affects procurement performance in institutions	The study focused on only one procurement practice that is procurement planning	This study will focus on four procurement practices namely: procurement planning, supplier sourcing, supplies management and e-procurement

Kiiver & Kodym, (2015)	Price-quality ratios in value-for-money awards	Descriptive research design.	In the realm of public procurement, a value for money bid award is achieved when a bid is awarded to a bidder who offers the best price-quality ratio, as opposed to awards based on the lowest price or the lowest cost.	The study focused only on one procurement practice – contract award	This study will focus on four procurement practices namely: procurement planning, supplier sourcing, supplies management and e-procurement
Kim, Suresh and Kocabasoglu-Hillmer (2015)	contextual analysis of the impact of strategic sourcing and E-procurement on performance	Descriptive research design.	e-procurement has a positive effect on firm performance and strategic sourcing	The study focused on strategic sourcing and E-procurement on performance	This study will focus on four procurement practices namely: procurement planning, supplier sourcing, supplies management and e-procurement
Kumar et al., (2015)	Measuring efficiency in international public procurement	Case study/ Descriptive research design.	Different methods of bidding, whether international or domestic, and contract attributes partially explain differences in the duration of procurement processes.	The study focused on procurement efficiency in World Bank. The techniques and exercises used to measure procurement efficiency may thus not be fully generalizable to other public procurement contexts like state corporations in Kenya	The study will focus on state corporations in Kenya.

Makabira and Waiganjo (2014)	The role of procurement practices on the performance of corporate organizations in Kenya: a case study of Kenya National Police Service	Descriptive research design.	procurement planning practices adopted by the police service greatly influenced performance	The study focused on the national police service which might not be generalizable to other state corporations in Kenya. The study did not also focus on other practices like e-procurement and supplier sourcing.	This study will focus on all state corporations and four procurement practices namely: procurement planning, supplier sourcing, supplies management and e-procurement
Mamiro (2010)	Value For Money, The Limping Pillar In Public Procurement – Experience From Tanzania	Case study/ Descriptive research design.	Poor planning and management of the procurement process is a major setback in public procurement.	The study focused on case study of one public institution in Tanzania which might not be applicable to all public institutions and other countries like Kenya which has different procurement regulations.	The study will focus on state corporations in Kenya.
Mchopa (2015)	Integrating contract management practices into the achievement of value for money in Tanzania public procurement	Descriptive research design.	Contract management vital to achievement of value for money especially when executing development projects as stressed by a study conducted in Tanzania	The study focused only on contract management practices	This study will focus on four procurement practices namely: procurement planning, supplier sourcing, supplies management and e-procurement

Mélon and Spruk (2019)	e-procurement on institutional quality analysed the implementation of e-procurement in Denmark, Netherlands and Portugal	Descriptive research design.	The implementation of e-procurement is generally associated with a relatively stronger control of corruption in the Netherlands and Denmark, while a similar reform in Portugal failed to translate into a stronger control of corruption	The study focused on the implementation of e-procurement	This study will focus on the effect of four procurement practices namely: procurement planning, supplier sourcing, supplies management and e-procurement on value for money
Mokogi, Mairura and Ombui (2015)	Effects of Procurement Practices on the Performance of Commercial Enterprises in Nairobi County	Descriptive research design.	Supplier selection procedures and procurement process management practices had a strong impact on the performance of commercial state owned enterprises studied	The study focused on Commercial Enterprises in Nairobi County which might not be generalised to state corporations in kenya	The study will focus on state corporations in Kenya.
Odero and Ayub, (2017)	Effect of procurement practices on procurement performance of public sugar manufacturing firms in western Kenya	Descriptive research design.	Organizations should enhance their planning and ensure that the procurement plans are adhered to.	The study focused on only one procurement practice that is procurement planning	This study will focus on four procurement practices namely: procurement planning, supplier sourcing, supplies management and e-procurement

Onyango (2014)	The effects of procurement planning on institutional performance: A case study of Mombasa Law Court	Descriptive research design.	Cost estimation, need assessment and quality specifications significantly affect performance.	The study focused on only one procurement practice that is procurement planning	This study will focus on four procurement practices namely: procurement planning, supplier sourcing, supplies management and e-procurement
Quinot and Arrowsmith, (2013)	Public Procurement Regulations in Africa	Descriptive research design.	Goods or services should not be procured from a supplier because of simply offering at the lowest price	The study focused on procurement regulations which might not be generalised to the effect of procurement practices on value for money	The study will investigate the effect of procurement practices on value for money
Salim and Kitheka (2019)	The effect of procurement planning on procurement performance in Mombasa County, Kenya	Descriptive research design.	Need identification, need specialization, budget and cost estimates significantly affect performance	The study focused on only one procurement practice that is procurement planning	This study will focus on four procurement practices namely: procurement planning, supplier sourcing, supplies management and e-procurement

#### APPENDIX IV: Sample Selection

<b>Region</b>	<b>Population</b>	<b>Sample</b>	<b>Percentage</b>
Commercial & Manufacturing	33	23	20
Financial corporations	17	12	10
Training and Research	14	10	9
Service Corporations	26	18	15
Regional development	6	4	3
Tertiary Education & Training	5	4	3
Regulatory	29	20	17
Universities	37	27	23
<b>Total</b>	<b>167</b>	<b>118</b>	<b>100</b>

## APPENDIX V: Tests of Assumptions

No.	Test	Test to be used	Conclusion
1	Normality	Normal P-P	Normality exist if data fall within or close to the line
2	Multi-collinearity	VIF	VIF less than 10 imply no multi-collinearity
3	Autocorrelation	Durbin- Watson test	Durbin Watson statistic should lie between the two critical values of $1.5 < d < 2.5$
4	Linearity	Scatterplot	Linearity exist if data fall within or close to the line
5	Heteroscedasticity	Breusch-Pagan test	If the Value of significance is greater than 0.05 then there is no problem of heteroscedasticity

**APPENDIX VI: Operationalization and Measurements of Variables.**

<b>Variable</b>	<b>Type of the variable</b>	<b>Indicators</b>	<b>Measurement</b>
Procurement planning	independent	<ul style="list-style-type: none"> <li>• Need Identification</li> <li>• Cost Estimation</li> <li>• Selection of procurement method</li> </ul>	Use a scale of 1 to 5 where 1= Strongly Disagree, 2= Disagree, 3= Neither agree nor Disagree, 4= Agree and 5 is strongly agree
Supplier sourcing	independent	<ul style="list-style-type: none"> <li>• Invitation to Bid</li> <li>• Bid Evaluation</li> <li>• Award of Bid</li> </ul>	Use a scale of 1 to 5 where 1= Strongly Disagree, 2= Disagree, 3= Neither agree nor Disagree, 4= Agree and 5 is strongly agree
Supplies management	independent	<ul style="list-style-type: none"> <li>• Inspection of Goods/Services/Works</li> <li>• Storage and issues control</li> <li>• Contract Monitoring , Evaluation and closure</li> </ul>	Use a scale of 1 to 5 where 1= Strongly Disagree, 2= Disagree, 3= Neither agree nor Disagree, 4= Agree and 5 is strongly agree
E-procurement	independent	<ul style="list-style-type: none"> <li>• E-Tendering</li> <li>• E-Ordering</li> <li>• E-Payment</li> </ul>	Use a scale of 1 to 5 where 1= Strongly Disagree, 2= Disagree, 3= Neither agree nor Disagree, 4= Agree and 5 is strongly agree
Value for money	Dependent	<ul style="list-style-type: none"> <li>• Economy</li> <li>• Efficiency</li> <li>• Effectiveness</li> </ul>	Use a scale of 1 to 5 where 1= Strongly Disagree, 2= Disagree, 3= Neither agree nor Disagree, 4= Agree and 5 is strongly agree



## APPENDIX VII: List of State Corporations in Kenya

<p><b>Commercial &amp; Manufacturing</b></p> <ol style="list-style-type: none"><li>1. Agro-Chemicals and Food Company</li><li>2. Chemelil Sugar Company</li><li>3. East African Portland Cement Company</li><li>4. Gilgil Telecommunications Industries</li><li>5. Jomo Kenyatta Foundation</li><li>6. Kenya Airports Authority</li><li>7. Kenya Broadcasting Corporation</li><li>8. Kenya Electricity Generating Company</li><li>9. Kenya Literature Bureau</li><li>10. Kenya Ordinance Factories Corporation</li><li>11. Kenya Pipeline Company</li><li>12. Kenya Ports Authority</li><li>13. Kenya Power and Lighting Company</li><li>14. Kenya Railways Corporation</li><li>15. Kenya Civil Aviation Authority</li><li>16. Kenya Safari Lodges and Hotels</li><li>17. Kenya Seed Company Limited</li><li>18. Kenya Wine Agencies</li><li>19. Kenyatta International Convention Center</li><li>20. National Cereals and Produce Board</li><li>21. National Housing Corporation</li><li>22. National Oil Corporation of Kenya</li><li>23. National Water Conservation and Pipeline Corporation</li><li>24. Numerical Machining Complex</li><li>25. Nzoia Sugar Company</li><li>26. Postal Corporation of Kenya</li><li>27. Pyrethrum Board of Kenya</li><li>28. School Equipment Production Unit</li><li>29. South Nyanza Sugar Company</li><li>30. Telkom Kenya Limited</li><li>31. University of Nairobi Enterprises and Services Limited</li><li>32. New Kenya Co-operative Creameries Ltd</li><li>33. Kenya Electricity Transmission Company</li></ol>	<p><b>Financial corporations</b></p> <ol style="list-style-type: none"><li>1. Kenya Investment Authority</li><li>2. IDB capital</li><li>3. Agricultural Finance Corporation</li><li>4. Consolidated Bank</li><li>5. Deposit Protection Fund Board</li><li>6. Industrial and Commercial Development Corporation</li><li>7. Industrial Development Bank</li><li>8. Kenya Industrial Estates</li><li>9. Kenya National Assurance Co.</li><li>10. Kenya Post Office Savings Bank</li><li>11. Kenya Re-Insurance Corporation</li><li>12. Kenya Revenue Authority</li><li>13. Kenya Roads Board</li><li>14. Kenya Tourist Development Corporation</li><li>15. National Bank of Kenya</li><li>16. National Hospital Insurance Fund</li><li>17. National Social Security Fund</li></ol> <p><b>Training and Research</b></p> <ol style="list-style-type: none"><li>1. Kenya Universities and Colleges Central Placement Service</li><li>2. Coffee Research Foundation</li><li>3. Kenya Agricultural Research Institute</li><li>4. Kenya Forestry Research Institute</li><li>5. Kenya Industrial Research and Development Institute</li><li>6. Kenya Institute of Administration</li><li>7. Kenya Institute of Public Policy Research and Analysis</li><li>8. Kenya Marine and Fisheries Research Institute</li><li>9. Kenya Medical Research Institute</li><li>10. Kenya Sugar Research Foundation</li><li>11. National Museums of Kenya</li><li>12. Tea Research Foundation</li><li>13. Kenya Institute of Education</li><li>14. Kenya Education Staff Institute</li></ol>
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**Service Corporations**

1. Agricultural Development Corporation
2. Bomas of Kenya 5
3. Central Water Services Board
4. Coast Water Services Board
5. Higher Education Loans Board
6. Kenya Accountants and Secretaries National Examination Board
7. Kenya Ferry Services
8. Kenya National Library Services
9. Kenya Tourist Board
10. Kenya Wildlife Service
11. Kenyatta National Hospital
12. Lake Victoria North Water Services Board
13. Local Authorities Provident Fund
14. Moi Teaching and Referral Hospital
15. Nairobi Water Services Board
16. National Aids Control Council
17. National Council for Law Reporting
18. National Sports Stadia Management Board
19. Northern Water Services Board
20. Rift Valley Water Services Board
21. Water Resources Management Authority
22. Water Services Trust Fund
23. Lake Victoria South Water Services Board
24. National Authority for the Campaign Against Alcohol and Drug Abuse
25. Athi Water Services Board
26. Kenya National Examination Council

**Regional development**

1. Coast Development Authority
2. Ewaso Ng'iro North Development Authority
3. Ewaso Ng'iro South Development Authority
4. Kerio Valley Development Authority
5. Lake Basin Development Authority
6. Tana and Athi Rivers Development

**Tertiary Education & Training**

1. Cooperative College of Kenya
2. Kenya College of Communications Technology
3. Kenya Medical Training College
4. Kenya Utalii College
5. Kenya Water Institute

**Regulatory**

1. Kenya Veterinary Board
2. Kenya Leather Development Council
3. Unclaimed Financial Assets Authority
4. Capital Markets Authority
5. Catering and Tourism Development Levy Trustee
6. Coffee Board of Kenya
7. Commission for University Education
8. Communication authority
9. Council for Legal Education
10. Energy Regulatory Commission
11. Export Promotion Council
12. Horticultural Crops Development Authority
13. Kenya Bureau of Standards
14. Kenya Dairy Board
15. Kenya Industrial Property Institute
16. Kenya Plant Health Inspectorate Services
  
17. Kenya Sisal Board
18. Kenya Sugar Board
19. Maritime Authority
20. National Environment Management Authority
21. National Irrigation Board
22. Public Benefits Organizations Regulatory Authority
23. Tea Board of Kenya
24. Water Services Regulatory Board
25. Transport Licensing Board
26. Catering Training & Tourism Development Levy Trustees
27. Export Promotion Council
28. Export Processing Zones Authority
29. Kenya Bureau of Standards

**Universities**

1. Alupe University College
2. Kaimosi Friends University Tom Mboya University College
3. Turkana University College
4. Tharaka University College
5. Bomet University College
6. Koitaleel Samoei University College
7. University of Nairobi
8. Moi University
9. Kenyatta University Established
10. Egerton University
11. Jomo Kenyatta University of Agriculture and Technology
12. Maseno University
13. Masinde Muliro University of Science and Technology
14. Dedan Kimathi University of Technology
15. Chuka University
16. Technical University of Kenya
17. Technical University of Mombasa
18. Pwani University
19. Kisii University
20. University of Eldoret
21. Maasai Mara University
22. Jaramogi Oginga Odinga University of Science and Technology
23. Laikipia University
24. South Eastern Kenya University
25. Meru University of Science and Technology
26. Multimedia University of Kenya
27. University of Kabianga
28. Karatina University
29. Kibabii University
30. Rongo University
31. The Co-operative University of Kenya
32. Taita Taveta University
33. Murang'a University of Technology
34. University of Embu
35. Machakos University
36. Kirinyaga University
37. Garissa University

**Source: SCAC 2021**

## APPENDIX VIII: KMO and Bartlett's Test Results

### Procurement Planning KMO and Bartlett's Test Results

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.543
Bartlett's Test of Sphericity	Approx. Chi-Square	146.039
	df	28
	Sig.	.000

### Supplier Sourcing KMO and Bartlett's Test Results

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.713
Bartlett's Test of Sphericity	Approx. Chi-Square	383.259
	df	55
	Sig.	.000

### Supplies Management KMO and Bartlett's Test Results

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.742
Bartlett's Test of Sphericity	Approx. Chi-Square	426.649
	df	55
	Sig.	.000

### E-procurement KMO and Bartlett's Test Result

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.690
Bartlett's Test of Sphericity	Approx. Chi-Square	273.335
	df	21
	Sig.	.000