



**INTERNAL FACTORS AFFECTING EFFICIENCY OF PUBLIC PROCUREMENT  
PROCESS IN COUNTY GOVERNMENTS IN KENYA: A CASE OF KISUMU COUNTY  
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**Abstract:** Public Procurement system is the bridge between public procurement and private sector providers. Audits carried out on Kenya's public procurement system disclosed serious shortcomings ranging from inefficiency to lack of sound and transparent legal framework. To streamline the legal framework in the public, the government came up with procurement Act 2005, and various Public procurement and disposal manuals, together with the PPDA 2015. This study investigates internal factors affecting efficiency of public procurement process in county governments in Kenya. Budgetary allocation, Non Compliance with policy and regulations, capacity building and political interference were used to give more insight into the study. The target population consists of 190 top, middle and lower level management officers. The study used a random stratified sampling method to select a sample of 57 from the population. Descriptive research design was to obtain information concerning the current status of the phenomena and to describe "what exists" with respect to variables. Both open and closed ended questionnaires have been used for data collection. The data collected was analyzed using descriptive aided by Statistical Package for Social Sciences (SPSS) version 21 to compute percentages of respondents' answers. Inferential statistics using multiple regression and correlation analysis were applied to examine the relationship between research variables. Tables were used to present the analyzed results. The study findings revealed that budgetary allocation, non-compliance with policy and regulations, capacity building and political interference affect efficient public procurement to a great extent. The study recommends that enough budgetary allocation should be given to the county governments and that procuring entities within the county governments should uphold the legal requirement and guidelines outlined in the public procurement and disposal Act 2015 as this will enhance the promotion of fair competition through the selection of appropriate procurement methods.

**Key Words:** Budgetary Allocation, Non-Compliance, Capacity Building, Political Interference, Public Procurement

### **Introduction**

The overriding objective of an economy's procurement system is to deliver efficiency and value for money in the use of public funds while adhering to national laws and policies (Ouko, 2015). Public institutions as well as county governments need to procure goods, services and works to carry out their responsibilities and duties. The total volume of public procurement, which is the government activity of purchasing goods, services and works, accounted for 12% of GDP and 29% of general government expenditure in OECD countries amounting to EUR 4.2 trillion in 2013. The share of public procurement at the subnational level represents 63% of the general government procurement in OECD countries (BIAK, 2014).

Several governments strive towards increasing efficiency and transparencies in their procedures and procurement processes which are being decentralized across national, regional and local government hierarchies (Perera, 2007). This gives individual departments and county governments the desired flexibility to decide how their budgets are spent and hence, increases opportunities to enlighten procurers and policy-makers to integrate environmental and social elements into the procurement process. The emergence of global economy, increased decentralization of government functions, greater discretions of power and weaknesses of the correct procurement system have led to need of regulating procurement in a standard and conventional ways, hence need for reforms to solve these emerging challenges in the Public procurement (White, 2005).

The public procurement in Kenya is based on a set of legal documents which are laws, bylaws, regulations and guidelines. The public procurement and disposals Act 2015 is an Act of Parliament of article 227 of the 2010 constitution which provides procedures for efficient public procurement and for assets disposal by public entities; and for connected purposes. The Procurement Act provides thorough guidance on procurement planning, linking the planning process up with the budgeting process, hence providing an important first step towards actual integration of procurement planning in the budgeting process (PPOA, 2007). In Denmark, the Government launched a Strategy for Intelligent Public Procurement in 2013, in which it defines the goals it intends to pursue through public procurement such as Efficiency, innovation, sustainability, and social responsibility (OECD 2013).

### **Global Perspective of Public Procurement**

Promotion of efficient Public procurement process campaigns, events and activities have been initiated and conducted by an ever increasing number of governmental and non-governmental organizations around the world (Dickinson, 2010). Through the efforts of these Non-Governmental Organizations, there has been a simultaneous expansion in the coverage of product and service categories. A green paper issued by the European Union 1996 states that an effective public procurement policy is fundamental to the success of the single market in achieving its objectives,” (European Union 1996). Since this statement was made, a number of legislative directives concerning efficient procurement process have been outlined, for example Directive/2004/17/EC and Directive/ 2004/18/EC. In 2005, policy attention was reinforced with one more action plan on e-procurement (European Union, 2005), which again stressed the potential benefits of public sector institutions implementing efficient and effective procurement process.

At the national level, most EU Member States have published Public Procurement National Action Plans which outline a variety of actions and support measures for efficient public procurement (EU, 2016). A number of countries and regions have also developed Sustainable Public procurement Criteria sets. Individual contracting authorities at the local, regional and

national level have also adopted efficient procurement practices. In some cases their actions have inspired the National Action Plan (NAPs), or been taken up as examples in other Member States.

China's Public procurement practices are very different from those in Europe. Only in some instances European experience can be transferred and customized. In some cases, capacity is needed to be developed in china (Thomas, 2011). The Chinese centralized government purchasing offers opportunity for effective public procurement practice not given in Europe where most public organization take care of their own procurement needs (Patrice , 2011). United Nations, including its many affiliated agencies represents a strategic global market for suppliers of virtually all types of goods and services (UNEP, 2008).

### **Public Procurement in Kenya**

Public procurement is an Act of Parliament with effect to Article 227 of the constitution to provide procedures for efficient public procurement and for asset disposal by public entities and for connected purposes (PPDA 2015). Public procurement and asset disposal by state organs and public entities are guided by; the values and principles provided for under article 10 of the Kenyan constitution, the equality and freedom from discrimination provided for under Article 27, principles of public finance under Article 201, principles of integrity under the leadership and Integrity Act, 2012; maximization of value for money and the principles governing the procurement of profession and international norms.

According to the (PPDA, 2005), in order to achieve value for money and to effectively contribute to the efficient service delivery, public procurement must adopt an internal audit and a strong ethnic bent. It must be practiced so as to be void of leakages and loss, corruption and vendor favoritism. In addition, all procurement entities shall comply strictly with the documentation, recording, minuting and filing requirements as specified in the Procurement Act. Procurement is the nerve Centre of performance in every organization, whether public or private and thus needs a tight system or procedures to be followed and adopted . The implementation of the procurement Act 2005 and the subsequent regulations and guidelines have faced many challenges in many public organizations in Kenya (Kombo, 2012). Devolution of power , authority and resources to sub-national entities is intended to make governance more responsive to the needs of its citizens. It is also intended to make government more accountable to local people, (Yilmaz, 2008)

### **County governments in Kenya**

There are forty-seven (47) counties which have clearly defined geographical boundaries. This is provided for in Article 6 (1) and in the First Schedule of the Constitution. The boundary of each of the counties has been drawn by the Independent Electoral and Boundaries Commission (IEBC) as provided for by the Constitution. Governments at county and national level and institutions established under them are required by the Constitution to ensure effective participation by citizens in their affairs. The County government has a democratically elected representatives and autonomous political authority. The elected representatives are for Senate, National Assembly, the County Assembly and the Governor in each of the forty-seven counties.

They have a clear mandate to provide a range of significant services. These are outlined in the Fourth Schedule of the Kenyan Constitution. Where the counties have been assigned actual implementation and service delivery and have the power to control their own budget and accounts and the ability to raise their own revenue. In addition, the county governments have been given constitutional authority to make and enforce local legislation.

### **Statement of the problem**

There have been a public outcry on the non-compliance in procurement practice by the county governments in Kenya. An Audit report 2014 by the Auditor General cited inaccuracies in financial statements and unsupported payments to suppliers as some of the malpractices by the county governments. The Kenyan procurement system is considered a high risk area for investors, as reflected by the World Bank and IFC 2007 enterprise survey which indicates that 71 % of the companies surveyed expect to give gifts to secure a procurement contract, with the value of the gift representing 8% of the contract amount. The Global Competitiveness Report 2011-2012 indicates that misappropriation remains pervasive in procurement processes, with widespread practice of favoritism towards well-connected firms and individuals when deciding upon contracts and policies.

According to Oluka, (2011), the current environment under which public procurement operates is engulfed by intense political interference which results into corruption and fraudulent activities in Procurement. Therefore, there is need to show how a combination of budgetary allocation, applicable ethics, capacity building and political interference affects efficiency of public procurement processes in the county government in Kenya. The study sought to investigate the internal factors affecting efficiency of public procurement processes in county Governments in Kenya.

The specific objectives of the study were to;

1. Establish the effect of budgetary allocation on efficiency of public procurement process in County Governments in Kenya.
2. Determine how non-compliance with policy and regulations affect efficiency of public procurement process in County Governments in Kenya.
3. Examine Capacity Building effect on efficiency of public procurement process in County Governments in Kenya
4. Evaluate effect of Political Interference on efficiency of public procurement process in County Governments in Kenya

### **Literature Review**

#### **Theoretical Review**

A theoretical framework is a collection of interrelated concepts. It guides research to determine what things to measure, and what statistical relationships to look for (Defee, 2010). This study is guided by Theory of Constraint (Goldratt, 2004), Theory of Resource based theory (Barney 1991), Theory of human capital.

## **Theory of Constraint**

The theory of constraints is a management philosophy that seeks to increase efficiency or system performance measured by sales through the identification of those processes that are constraining the procurement system (Goldratt, 2004). According to Kazim, (2008), theory of constraints is based on the principle that a chain is only as strong as the weakest link or constraint and to elevate and manage the constraint as necessary. The difficulties in the theory of constraints are: very long lead times, large number of unfulfilled orders or they are executed with much extra effort (overtimes), high level of unnecessary inventories or lack of relevant inventories, wrong materials order, large number of emergency orders and expedition levels, high levels of devolution, lack of key customers engagement, frequent changes or absence of control related to priority orders, which implies on schedule conflicts of the resources (Goldratt, 2004). Theory of constraints focuses on effectively managing the capacity and capability of these constraints if they are to improve the operational performance of their organization. Organizations can achieve these by applying appropriate procurement control mechanisms such as applicable ethics and information technology and internal controls (Cooper, 2006). Theory of Constraints measurements are based on a simple relationship that highlights the effect of internal factors of a firm towards the operational performance (Murakami, 2006).

## **Resource based view theory**

Resource based Theory argues that's that a firm has the ability to achieve and sustain competitive advantage if it possess resources that are valuable, rare, imperfectly imitable and non-substitutable. The supporters of these argument argue that organizations should look inside the company to find the sources of competitive advantage instead of looking at competitive environment for it (Rothaermels, 2013). The goal of an organization is to ensure it has access to and control of valuable resources by developing and securing all the relevant resources either internally or externally. If a firm possess critical resources that have strategic value, it is better to retain the activity in house. On the contrary, if the strategic value of target activities is low and no internal resources are available to perform such activities, it is beneficial for the company to outsource them. For the sustainable competitive advantages, firms are forced to rely on a multitude of outside supplier for parts, software, knowledge and sales and in doing so gain access to valuable resources and external capabilities (Rothaermels, 2013).

## **Human capital theory**

Human capital theory is associated with the resource-based view of the firm as developed by Barney (1991). This proposes that sustainable competitive advantage is attained when the firm has a human resource pool that cannot be imitated or substituted by its rivals. Boxall (1996) refers to this situation as one that confers 'human capital advantage'. Boxall, (1996 and 1999), also notes that a distinction should be made between 'human capital advantage' and 'human process advantage'. The former results from employing people with competitively valuable knowledge and skills, much of it tacit. The latter, however, follows from the establishment of: difficult to imitate, highly evolved processes within the firm, such as cross-departmental co-operation and executive development. Accordingly, 'human resource advantage', the superiority of one firm's labour management over another's, can be thought of as the product of its human capital and human process advantages.

For the employer, investments in training and developing people is a means of attracting and retaining human capital as well as getting better returns from those investments. These returns are expected to be improvements in performance, productivity, flexibility and the capacity to innovate that should result from enlarging the skill base and increasing levels of knowledge and competence. Schuller (2000) suggests that: 'The general message is persuasive: skills, knowledge and competences are key factors in determining whether organizations and nations will prosper.' This point is also made powerfully by Reich (1991). But Davenport (1999) has some cautionary words about the asset-based content of human capital theory. He argues that workers should not be treated as passive assets to be bought, sold and replaced at the whim of their owners – increasingly, they actively control their own working lives. Workers, especially knowledge workers, may regard themselves as free agents who can choose how and where they invest their talents, time and energy. He suggests that the notion that companies own human assets as they own machines is unacceptable in principle and inapplicable in practice; it short-changes people by placing them in the same category as plant and equipment.

### **Institutional Theory**

Public entities operate under an environment that affects their performance (Bolton, 2006). The external forces affecting the implementation of the procurement legal framework include: political, economic, social and technological factors. The Institutional theory explains internal factors affecting efficiency of public procurement processes in county governments in Kenya. Political institutionalists typically situate their claims at the state or macro political level and argue that the process of formation of states, political systems, and political party systems strongly influence political processes and outcomes (Amenta 2005). Historical institutionalists typically focus on determinants at the macro political or macroeconomic level, though they rely on no particular type of institutional theory, and instead expect causation to be multiple and conjunctural and often involving time-order and path dependence (Pierson 2002). Political institutionalists typically situate their claims at the state or macro political level and argue that the process of formation of states, political systems, and political party systems strongly influence political processes and outcomes (Amenta, 2005).

Institutions are emergent, "higher-order" factors above the individual level, constraining or constituting the interests and political participation of actors "without requiring repeated collective mobilization or authoritative intervention to achieve these regularities" (Jepperson 1991). Institutional theories as applied to politics posit two distinct forms of institutions' influence over policy and political action. Institutions can be constraining, superimposing conditions of possibility for mobilization, access, and influence. Theories of "political mediation" (Amenta, 2005) and "political opportunity" (Meyer, 2004) are, partially, institutional constraint arguments, to the extent that they posit that political institutions limit the conditions under which organized interests mobilize and attain collective goods from the state (Ramsey, 2010).

## **Review of Study Variables**

### **Budgetary allocation**

Procurement is described as the acquisition of goods works or services at the best possible cost, in the right quantity, time and place, for the direct benefit of the firm (PPDA, 2015). The question which arise is; how can an institution prioritize when only a limited amount of money is available to spend? That's where the role of budgeting comes in. As a central policy document of government, a budget shows how it will prioritize and achieve its annual and multi-annual objectives (OECD, 2014). It identifies the financial resources allocated to products, services, departments or divisions of an organization. Budgets are also tools for allocating funds to accomplish the objectives of the organization (Choi, 2010). Every public organization has its own budget systems and efficient budget management is a very important issue for organization.

Budgeting process provides the platform for the executive and legislative assemblies in county governments to level their interests and establish credible contracts aimed at allocating resources to strategic priorities and programmes (Ogolla, 2013). Alongside other instruments of government policy such as laws, regulation and joint action with other actors in society the budget aims to turn plans and aspirations into reality and must be clear, transparent and credible if it is to command trust, and to serve as a basis of accountability (OECD, 2014). Cost-effective procurement depends on a specialist's skills to ensure that buying requirements are reliably determined, appropriate contract strategies are developed, contracts are well managed and opportunities are seized to secure the best deals at the right time and at the right price (Ambe, 2011). The importance of drawing up accurate and realistic budget cannot be overestimated.

Budget management can make or break an institution; without strict adherence to a budget's limits, as well as the strategic use of spending within those limits, institutions will always lose money through overspending and missed investment opportunities (PSA, 2016). The US health care programmes Medicare and Medicaid estimate that 5% to 10% of their annual budget is wasted as a result of inappropriate procurement process and subsequent fraudulent activities within its departments (OECD, 2014). The World Economic Forum estimates that corruption increases the cost of doing business by up to 10% on average (IIA, 2014). Lastly, inefficient budgeting often stems from a company's failure to synchronize their budgeting efforts with their purchasing controls due to poor transparency between procurement spend and changing budget levels.

### **Non Compliance with policies and regulations**

Public Procurement and Disposal Act 2015 outlines procedures to be followed when acquiring goods works and services and during receipt o these goods by the stores in charge. The Act further give guidelines with regard to disposal and methods of procurement to use which include Open tendering, two staged tendering, design competition, restricted tendering, direct tendering, request for quotation, electronic reverse auction; low value procurement; force account; competitive negotiations; request for proposals; framework agreements; and any other procurement method and procedure as prescribed in regulations and described in the tender documents. However, compliance with these principles have become a problem.

The Audit report (2017) on county governments in Kenya, indicated that some of the practices of non-compliance ranges from lack of fair competition where only few bidders are awarded contracts simultaneously to the practice of conflict of interest where some of procurement practitioners are practically involved in the supplies of these items. As observed by the Transparency international (2014), county governments suffers from inadequate procurement planning, lack of pre-qualification of suppliers, failure to follow due process, lack of adequate numbers of qualified procurement professionals and poor inventory management. Consequently, the effects of the procurement challenges experienced include offences of financial misconduct, low absorption of resources, delays in project implementation, wasteful spending and unauthorized spending (Hrebiniak, 2006). All these has made it more difficult for the attainment of good procurement practice hence making the general public to have low confidence in public procurement.

According to (World Bank, 2007), Public procurement has, for long, been overshadowed with inefficiency, corruption and disregard of fundamental value for money considerations. This has adversely impacted the rate and quality of progress in realizing the objectives of national development, especially in developing and transition countries.

### **Capacity Building**

Capacity Building has become one of the recurring themes in institutional literature and in the agenda of public administrations, international agencies and governmental (Adrian , 2007). According Friedman, (2011), Capacity building is an evidence-driven process of strengthening the abilities of individuals, organizations, and systems to perform core functions sustainably, and to continue to improve and develop over time. With the ever emerging new technology, it is appropriate that county governments carry out capacity building so as to improve on the knowledge base for their staff. This will enable these employees to have proper analytical skills which they can use in identifying alternatives in purchasing goods, works or services and acquiring an understanding of market conditions, industry trends and the technical details of the commodities and services being procured (Kathleen, 2006).

Sound procurement capacity for the institutions is imperative for successful procurement implementation and sustainability (Jackholt, 2012). Most county governments do not have enough qualified staff to drive their long-term objectives as most of these staff are appointed based on political affiliations and not professionalism. According to (Shebby, 2010), capacity building is an intervention that strengthens an organization's ability to fulfill its mission by promoting sound management, strong governance, and persistent rededication to achieving results. The added value that people can contribute to an organization is emphasized by human capital theory. It regards people as assets and stresses that investment by organizations in people will generate worthwhile returns.

### **Political interference**

Politics is always considered as an external environmental factor (Tillman, 2012). Where political means that decisions are made and actions are taken on the basis of power, personality, and connections (Wagner (2006), they determine the extent to which a government may influence the economy or a certain industry. For example, a government may impose a new tax



or duty due to which entire revenue generating structures of organizations might change. Political factors include tax policies, Fiscal policy, trade tariffs etc. that a government may levy around the fiscal year and it may affect the economic environment to a great extent. According to (Baily, 2004), Inflexible and bureaucratic of procurement contribute to unacceptable contract delays, increased costs, the potential for manipulation of contract awards and lack of fair competition, all of which create the perception in the population at large, that public expenditure is slow, ineffective, expensive and often corrupt.

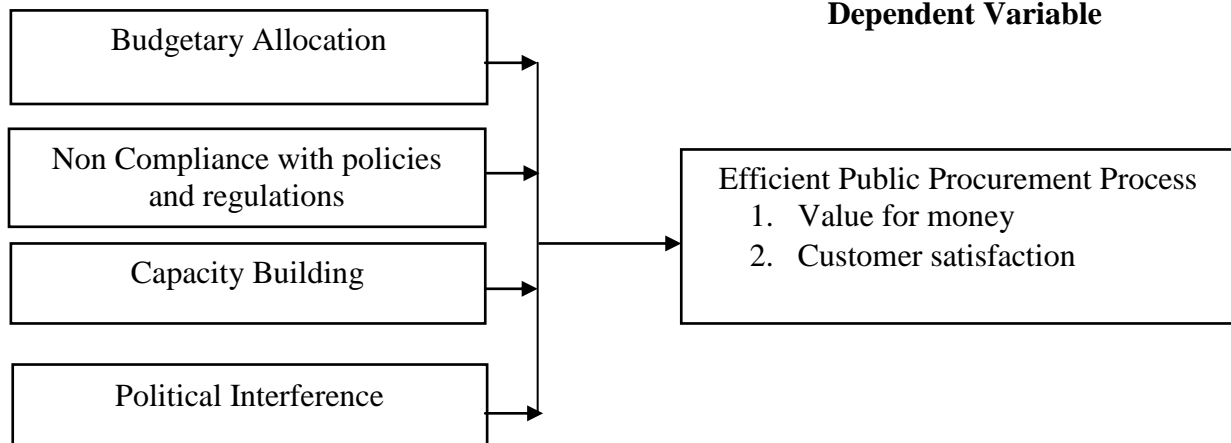
The high level of political influence in administrative processes have an important bearing on public sector reform (Burrit, 2004). This argument can be supported by what currently is happening within the county government management. With the introduction of county assemblies, the county governments have been experiencing immense pressure from the members of the county assemblies who to an extent tries to micro manage the governance and administrative functions of the county governments including the public procurement processes. Common malpractices in public procurement includes public officers – often under the influence of powerful politicians and businessmen only inviting preferred firms, favoring certain firms at the short-listing stage, designing tender documents to favor particular firms and releasing confidential information (PPOA, 2009). This state of affairs is worsened by the fact that junior procurement practitioners becomes powerless to correct the anomalies and can easily be manipulated by their seniors and powerful politicians.

The high level of political influence in administrative processes have an important bearing on public sector reform (Burrit, 2004). According to (World Bank, 2004) Political interference within the procurement process is a big challenge to the successful implementation of public procurement reforms. A good number of politicians intervenes in the procurement processes leading to capricious procurement decisions.

### Conceptual Framework

According to Miles, (2008), a conceptual framework is a as a group of concepts that are broadly defined and systematically organized to provide a focus, a rationale, and a tool for the integration and interpretation of information. It explains the relationship between independent and dependent variables. In the study, the independent variables includes budgetary allocations, non-compliance with policies and regulations, capacity building and political interference. Dependent variable is efficient public procurement process, as shown in the figure 1 below.

#### Independent Variables



## Figure 1: Conceptual framework

### Research Methodology

This study will adopt a descriptive research design. The target population for this study included 190 top management, middle management and lower management staff. This study used a random stratified sampling method to select a sample from the population. The study grouped the population into three categories that is the top management, middle level management and lower level management. From each stratum, the study used a random sampling to select 30% of the respondents which made a sample.

**Table 1: Sampling Frame**

Level	Frequency	Percentage	Sample size
Top Management	20	30%	6
Middle Level Management	70	30%	21
Lower Level Management	100	30%	30
<b>Total</b>	<b>190</b>	<b>30%</b>	<b>57</b>

The study used questionnaires to collect primary data for the purpose of analyzing the Internal factors affecting efficiency of public procurement process in county governments in Kenya. Semi-structured questionnaires (both open ended and closed ended) were used. A pre-test prior to the actual study was carried. Validity was ensured by having objective questions included in the questionnaire and by pre-testing the instrument used through a pilot study to identify and change the ambiguous questions and techniques. Reliability on the other hand refers to a measure of the degree to which research instruments yield consistent results (Mugenda and Mugenda, 2003). Reliability was ensured by pre-testing the questionnaire with a selected sample from some respondents from the County Government who were not included in the final analysis.

The researcher used both qualitative and quantitative techniques in analyzing the data. Content analysis was used to analyze the qualitative data while descriptive analysis such as mean, frequencies and percentages was used to analyze the data. The inferential statistics such as correlation and regression model was used. The organized data was interpreted on account of concurrence to objectives using assistance of computer packages especially statistical package for social scientists (SPSS) version 21 to communicate research findings. The study used ANOVA to test the level of significant of the variables on the dependent variable at 95% level of significance. Data was presented in the form of frequency distribution tables, graphs and pie charts that facilitated description and explanation of the study findings.

The study used the following regression model.

The regression equation ( $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$ ):

Whereby;

Y =efficient public procurement process

$\beta_0$ = Constant, explaining the level of effectiveness given

$\beta_1$ = Slope or change in Y, given one unit change in X1

X<sub>1</sub> = budgetary allocation

X<sub>2</sub> = Non-compliance with policies and regulations

X<sub>3</sub> = Capacity building

X<sub>4</sub> = political interference

$\epsilon$  =represents the error term explaining the variability of the quality of effectiveness as a result of other factors not counted for.

### Research Findings and Discussion

The study targeted 57 respondents in collecting data. From the data collected, 50 out of 57 sample respondents filled in and returned the questionnaires making the response rate of 87.7%. This reasonable rate was made a reality after the researcher made personal calls and visits to remind the respondents to fill in and return the questionnaires. Earl, (2002) asserts that in a descriptive research, a response rate of above 50% is adequate for analysis.

### Budgetary Allocation

The study sought to establish whether Budget Allocation affects efficient public procurement at the county government. From the research findings, majority of the respondents as shown by 90% agreed that budgetary allocation do affect public procurement efficiency whereas 10% of the respondents were of the contrary opinion. This implies that budgetary allocation affects public procurement efficiency.

**Table 2: Effects of Budgetary Allocation on Efficient Public Procurement in county government**

Opinion	Frequency	Percentage
Yes	45	90
No	5	10
<b>Total</b>	<b>50</b>	<b>100</b>

The study sought to determine the extent to which the budgetary allocation affects efficient procurement process. The study found the majority of the respondent as shown by 66% indicated to a very great extent, 20% of the respondent indicated to great extent, 10% of the respondent indicated to a moderate extent whereas 4% of the respondent indicated not at all. This implies that budgetary allocation affects efficient procurement process to a great extent.

**Table 3: Extent to which of Budgetary Allocation affects public procurement efficiency**

Extent	Frequency	Percentage
Very Great Extent	33	66
Great Extent	10	20
Moderately	5	10
Not at all	2	4
<b>Total</b>	<b>50</b>	<b>100</b>

The study sought to establish the extent to which respondents agreed with the above statement relating to budgetary allocation effect on effect public procurement process. From the findings majority of the respondents agreed that; budget allocation for county governments are inadequate as shown by a mean of 4.52 in each case. Proper budgeting reduces the number of pending bills by county governments as shown by a mean of 4.40 Counties that organize their budgetary affairs on the basis of governance principles are well-placed to meet citizens’ expectations for sound, stable and effective public procurement practice as shown by 4.02. The above findings concurs with (Venu Gopal, 2012) that, the reduced allocation of revenue requirements for organizations against the projected requirement is an area of concern as it has a direct effect on the serviceability of the ‘In-service’ equipment and the operational preparedness of an organization as a whole thus resulting into the creation of cumulative deficiencies over the years.

**Table 4: Statements about Budgetary Allocation effect on efficient public procurement process**

<b>Statements</b>	<b>Mean</b>	<b>Std deviation</b>
Budget allocation for county governments are inadequate	4.52	0.29
Proper budgeting reduces the number of pending bills by county governments	4.40	0.24
Counties that organize their budgetary affairs on the basis of governance principles are well-placed to meet citizens’ expectations for sound, stable and effective public procurement	4.02	0.28

**Non Compliance with Policy and Regulation**

The study sought to determine whether Non Compliance with Policy and Regulation have effect on Efficient public procurement process. From the findings majority of the respondents as shown by 98% agreed that Non Compliance with Policy and Regulation affect efficient public procurement process whereas 2% of the respondents were of contrary opinion. This implies that Non Compliance with policy and regulations affect efficient public procurement process.

**Table 5: Non Compliance with Policy and Regulation effect on Efficient public procurement process**

<b>Opinion</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	49	98
No	1	2
<b>Total</b>	<b>50</b>	<b>100</b>

The study sought to determine the extent to which Non Compliance with Policy and Regulation effect efficient public procurement process. The study found that majority of the respondent as shown by 84% indicated to a very great extent, 14% of the respondent indicated to great extent, 04% of the respondent indicated to a moderate extent whereas 0% of the respondent indicated not at all. This implies that Non-compliance with policy and regulation affects efficient public procurement process in county governments in Kenya to a very great extent.

**Table 6: Extent to which Non Compliance with Policy and Regulation effect Efficient public procurement process**

Extent	Frequency	Percentage
Very Great Extent	41	82
Great Extent	7	14
Moderately	2	4
Not at all	0	0
<b>Total</b>	<b>50</b>	<b>100</b>

The study sought to establish the extent to which respondents agreed with the above statement relating to Non Compliance with regard to efficient public procurement process in county governments. From the findings majority of the respondents agreed that; non compliance with procurement policy increases risk of fraudulent activities among practitioners as shown with a mean of 4.3. Procurement must be conducted with probity in mind, to enable purchasers and suppliers to deal with each other on the basis of mutual trust and respect, and enable business to be conducted with integrity as shown by a mean of 4.46. whereas Non-compliance with policy and regulations reduces public confidence in the procurement process among various stakeholders as shown by a mean of 4.18 These findings are in line with the findings by (Ballard, 2011), that to achieve public procurement goals of fairness and economic value, transparency, accountability and compliance with policy and regulations are paramount.

**Table 7: Statements relating to Non Compliance with policy and regulations**

Statements	Mean	Std deviation
Non Compliance with procurement policy increases risk of fraudulent activities among practitioners	4.34	0.23
Procurement must be conducted with probity in mind, to enable purchasers and suppliers to deal with each other on the basis of mutual trust and respect, and enable business to be conducted with integrity	4.46	0.27
Non-compliance with policy and regulations reduces public confidence in the procurement process by among various stakeholders	4.18	0.19

### Capacity Building

The study sought to determine whether Capacity Building affect efficient public procurement process. From the findings majority of the respondents as shown by 82% agreed that capacity building affects efficient public procurement process whereas 18% of the respondents were of contrary opinion. This implies that capacity building affects efficient public procurement process.

**Table 8: Effects of Capacity Building on efficient public procurement process**

Opinion	Frequency	Percentage
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Yes	41	82
No	9	18
<b>Total</b>	<b>50</b>	<b>100</b>

The study sought to determine the extent to which Capacity Building affects efficient public procurement process. The study found the majority of the respondent as shown by 46% indicated to a great extent, 34% of the respondent indicated to a very great extent, 16% of the respondent indicated to a moderate extent while 6% of the respondent indicated not at all. This implies that capacity building affects efficient public procurement process in county government in Kenya to a great extent.

**Table 9: Extent of Capacity building effect on efficient public procurement process**

Option	Frequency	Percentage
Very Great Extent	17	34
Great Extent	23	46
Moderately	8	16
Not at all	2	6
<b>Total</b>	<b>50</b>	<b>100</b>

The study sought to establish the extent to which respondents agreed with the above statement relating to capacity building that relate to effects on efficient public procurement process. From the findings majority of the respondents agreed that; capacity building promotes sound management and strong governance as shown by a mean of 4.40; Through capacity building, procurement practitioners get to learn new knowledge and skills hence promoting procurement performance and efficiency as shown by a mean of 4.12. Effective Organizational capacity building should involve interaction, collaboration, and communication among people within the organization as shown by a mean of 4.14. The study further established that there is need for a centralized respiratory of all related knowledge and information to capture, store and provide access to the information users and to act as a platform for networking, collaboration and learning. This finding concurs with Jackholt (2012) who asserts that Sound procurement capacity for organizations is imperative for successful project implementation and sustainability.

**Table 4.10: Statements relating to capacity building**

Statement	Mean	Std deviation
capacity building promotes sound management and strong governance	4.40	0.24
Effective Organizational capacity building should involve interaction, collaboration, and communication among people within the organization	4.14	0.21
Through capacity building, procurement practitioners get to learn new knowledge and skills hence promoting procurement performance and efficiency	4.12	0.18

### Political Interference

The study sought to determine whether political interference affect efficiency in procurement process. From the findings majority of the respondents as shown by 68% agreed that political

interference indeed affect public procurement process efficiency while 32% of the respondents were of contrary opinion.

**Table 11: Effects of political interference on efficient public procurement process**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	34	68
No	16	32
<b>Total</b>	<b>50</b>	<b>100</b>

The study sought to determine the extent to which political interference affect public procurement process. The study found the majority of the respondent as shown by 48% indicated to a great extent, 30% of the respondent indicated to a very great extent, 16% of the respondent indicated to a moderate extent while 6% of the respondent indicated not at all. This implies that political interference affect public procurement process to a great extent.

**Table 12: Extent to which political interference affect public procurement process**

<b>Extent</b>	<b>Frequency</b>	<b>Percentage</b>
Very Great Extent	15	30
Great Extent	24	48
Moderately	8	16
Not at all	3	6
<b>Total</b>	<b>50</b>	<b>100</b>

The study sought to establish the extent to which respondents agreed with the above statement relating to political interference effect on efficient public procurement process. From the findings majority of the respondents agreed that; If governments meddle in the process and deviate from the procurement policy of accepting the low bid, competition will wane as shown by a mean of 4.60. There is poor decision making in contract award since the process will be compromised through political involvement as shown by a mean of 4.28 whereas professionalism is undermined as a result of political interference in the procurement process as shown with a mean of 3.96.

The study also established that as a result of political interference, value for money is not realized by many institutions since quotations are exaggerated resulting into high cost of acquisition. These findings concurs with (Emanuelli, 2014) who asserts that, The integrity of the procurement process can become compromised when decision-making becomes politicized, is open to the influence of lobbying activities or is otherwise impacted by factors other than the objective application of predetermined transparent criteria.

**Table 13: Statements relating to political interference**

<b>Statement of commitment</b>	<b>Mean</b>	<b>Std deviation</b>
If governments meddle in the process and deviate from the procurement policy of accepting the low bid, competition will wane	4.60	0.28

Professionalism is undermined as a result of political interference in the procurement process	3.96	0.15
There is poor decision making in contract award since the process will be compromised through political involvement	4.28	0.23

### Regression analysis

This section represents a discussion of the results of inferential statistics. The researcher conducted a multiple regression analysis so as to investigate the internal factors affecting efficiency of public procurement process in county governments in Kenya.

Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable. From the findings in the above table the value of adjusted R squared 0.618 an indication that there was variation of 61.8% on efficient public procurement process due to changes in Budgetary allocation, non compliance with policy and regulations, capacity building and political interference. This shows that 61.8% percent changes in efficient public procurement process could be accounted to Budgetary allocation, non compliance with policy and regulations, capacity building and political interference. R is the correlation coefficient which shows the relationship between the study variables. From the findings shown in the table above is notable that there exists strong positive relationship between the study variables as shown by correlation coefficient of 0.803

**Table 14: Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.803(a)	.644	.618	.78381

ANOVA findings as explained by the P-Value of 0.000 which is less than 0.05 (significance level of 5%) confirms the existence of correlation between the independent and dependent variables. The model shows the model fitness i.e. how well the variables fit the regression model. From the results, the F ratio of 24.815 and the significance of 0.000 shows that there was not much difference in means between dependent and independent variables. The sum of squares gives the model fit and hence the variables fit the regression model.

**Table 15: Analysis of Variance**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	61.144	4	15.286	24.882	.000(a)
Residual	33.789	45	.614		
Total	94.933	49			

Using the values of the coefficients ( $\beta$ ) from the regression coefficient table 4.11 the established multiple linear regression equation takes the form of;

$$Y = 5.056 - 0.161X_1 + 0.422X_2 + 0.178X_3 + 0.207X_4$$

Where;



Constant = 5.056; when value of the independent variables are zero, the efficiency of procurement process would take the value 5.056.

X<sub>1</sub>= 0.161; one unit increase in budgetary allocation results in 0.161 units increase in the efficiency of procurement process.

X<sub>2</sub>= -0.422; one unit increase in Non Compliance with policy and regulation results in 0.422 units decrease in the efficiency of procurement process.

X<sub>3</sub>= 0.178; one unit increase in capacity building results in 0.178 units increase in the efficiency of procurement process.

X<sub>4</sub>= -0.207; one unit increase in political efficiency results in 0.207 units decrease in efficiency of procurement process

From the results the predictors had influence on the efficiency of procurement process.

**Table 16: Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.056	3.061		1.652	.104
Budgetary allocation	.161	.073	.204	2.221	.030
Non Compliance with policy and regulation	-.422	.079	-.623	-5.344	.000
Capacity Building	.178	.058	.375	3.063	.003
Political Interference	-.207	.039	-.472	-5.328	.000

**Conclusions**

The study concludes that the efficiency of procurement process is adversely affected by budget allocation. The efficiency would be enhanced if the bills at the end of every fiscal year are approved and that sufficient budget allocation is made for procurement. The county government effectiveness can emanate from efficient budgetary allocation. Proper budget allocation would ensure that the county government officers perform their procurements roles effectively which would be very beneficial to the general citizenry. This is because with adequate resources, it's possible to attain efficiency in public procurement.

The study also concludes that non-compliance with procurement policy increases risk of fraudulent activities among practitioners and that it reduces public confidence in the procurement process among various stakeholders within the county government. The study further concluded that the purchasers and suppliers require each other to act with respect and mutual trust which will lead to business integrity in course of the procurement process.

The study also concludes that through capacity building, procurement through capacity building, procurement practitioners get to learn new knowledge and skills hence promoting procurement performance and efficiency. Efforts geared towards improvement skills and uptake of new technologies by procurement officers in county government will always yield to enhanced performance in public procurement.

The study also concludes that that through political involvement, there is poor decision making in contract award is as the procurement process will have been compromised. The political interference can hamper the smooth running of procurement process in instances where the politician will have injunction of tenders through the courts or county assemblies which forces the procurement department to a standstill in decision making.

### **Recommendations**

From the findings, the study recommends that the budget allocation must be adequate to enable for proper procurement planning which will in turn reduce the number of pending bills at the end of each fiscal year.

The study also recommends that it is crucial that procuring entities uphold the legal requirement and guidelines outlined in the public procurement and disposal Act 2015 as this will enhance the promotion of fair competition through the selection of appropriate procurement methods, being transparent and unambiguous about evaluation criteria set out in bidding documents, and in avoiding deliberate use of fake completion. In addition, Section 176 of the Public procurement and disposal Act (PPDA, 2015) should strictly be adhered to and those found to have not complied with the Act to be punished as recommended

The study also recommends that county governments should carry out capacity building to its employees especially procurement practitioners in order to strength the management and governance of their institutions so that it can effectively achieve its objectives and fulfill its mission

Political interference should not be tolerated in public procurement process since it undermines the principle of applicable ethics which discourages collusion and conflict of interest as this are conduits for fraudulent activities in procurement hence resulting into corruption thus making the county governments not to realize value for money

### **Areas for further research**

This study sought to investigate the internal factors affecting efficiency of public procurement process in county governments in Kenya. The study variables (Budgetary allocation, Non Compliance with policy and regulations, Capacity Building and Political Interference). The study further recommends that other researches should focus on the external factors influencing efficient procurement process in county governments in Kenya.

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