

FACTORS INFLUENCING PERFORMANCE OF THE PROCUREMENT FUNCTION IN TRANS NZOIA COUNTY GOVERNMENT IN KENYA

¹Lawrence Wamalwa Nang'ole, ²Prof. Gregory S. Namusonge (PhD),
³Dr. Elizabeth Makokha Nambuswa (PhD)

^{1,2,3}Jomo Kenyatta University of Agriculture and Technology

Abstract: The study sought to identify the factors influencing performance of the public procurement function in Trans Nzoia County Government. The objectives of the study was to determine factors influencing quality of procurements in Trans Nzoia County government. The research adopted a descriptive design with a target population of 176 employees involved in the procurement process from all the departments of the county. A sample size of 70 respondents representing 40% of the population was selected. The identification of respondents done using random sampling. The main data collection instrument was the questionnaires. Collected data was analyzed using descriptive statistics and conclusions drawn. A pilot survey was conducted and the questionnaire modified to ensure suitability of the instrument in collection of the data. The researcher administered the questionnaire personally using the drop and pick technique. Collected data was coded and analyzed using SPSS. Regression analysis is done to establish the relationship between the factors and procurement performance. Presentations of findings are mainly in tables, charts and graphs. The study established that use of cross functional teams, consultants, expression of interest methods, brand name and early supplier involvement in development of specification enhances attainment of quality of procurements. The study concludes that quality is positively related to procurement performance. The county government should have an early involvement of suppliers in the specification process, it should also have a strong contract monitoring & evaluation teams that carry out inspection of goods at source and that penalizes suppliers whose goods are rejected for being substandard. The county should also use senior and experienced officers in the evaluation process.

Keywords: Performance of Public Procurement Function, Quality, Cost & Time.

1. BACKGROUND OF THE STUDY

1.1 Global perspective on factors influencing Public Procurement

Expenditure on Public Procurement globally represent 10-20 % of GDP and up to 50% or even more of total government spending (UNICITRAL, 2011). According to Thai K. V (2017), 20 years ago, most governments did not understand the potential strategic role that public procurement could play. No professional organizations in USA used “procurement.” Things have drastically since then. In 2013, in GDP terms, government procurement expenditures as measured in national accounts amounted to an average of almost 14% of GDP in the European Union and to more than 10% of GDP in the US (OECD, 2014).

Because of the increased expenditure on public procurement, many countries are using Public procurement as a tool of fostering economic development if indigenous local industries. Crudden et al, (2007), provides that governments in

developed and developing countries use their contracting power in order to advance social equality and reduce discrimination, and argues that this approach is an entirely legitimate and efficient means of achieving social justice. Arrowsmith et al, (2009), observe that in developing public procurement policy, governments are often concerned not only with value for money but also with promoting their social and environmental objectives. However, imposing social and environmental requirements makes it harder for some suppliers to participate in public procurement thereby limiting the ability of national governments to implement such policies.

1.2 Regional Perspective on factors influencing Procurement Performance

In Africa public procurement has continuously been used as a political tool in economic empowerment and societal balancing. In Libya for instance strategic procurement policy has been adopted by states that have recognized that the procurement function can be developed to harmonize procurement policies with wider government policies. The country uses public procurement as a tool for economic development, job creation and, ultimately, stabilization EL-Gayed, (2013),” In South Africa the negative effects of inefficient public sector SCM, particularly in the procurement phase of the chain results in to suppliers charging excessive prices; goods and services contracted for and delivered are of poor quality and unreliable; and there is corruption and waste (SA National Treasury, 2015).

Asamoah et al. (2012) advises that for an organization to reduce costs of the purchasing processes and improve the company’s overall competitive advantage, sourcing the right supplier must be given preference. They add that the supplier selection and evaluation activities ought to be integrated in the operational strategies of a company. An appropriate supplier selection system is vital as it has a big influence on costs. According to Bhote, 1987, “At least half or even more of the quality problems between customer and supplier are caused by poor specifications, for which the buying company is largely responsible. Sourcing Process entails various key activities including development of specifications, evaluation of bids and contract negotiations (Monzcka et al 2009). Akenroye et al. (2012) identified supplier evaluation as critical in every organization.

1.3 Local perspective on factors influencing Public Procurement Performance

The National Treasury through Act of parliament put in place Public Procurement and Asset Disposal Act, 2015 provides the guiding principles for public procurement as per to include: maximization of value for money, promotion of citizen contractors, promotion of local industry, integrity and leadership, affirmative action, equality and freedom from discrimination and national values provided for under article ten of the constitution.

A significant amount of studies have been conducted in Kenya on the performance of public procurement function. Jeptepkeny (2015), studied the relationship between procurement procedures on project performance, his analysis indicated that specification definition accounts for 29.4% of variations in project performance; bid invitation accounts for 6.7%; bid evaluation accounts for 58.5 % and contract negotiation contributes 29.4% of variations in project performance. It is evident that the sourcing aspect associated with the evaluation and selection of suppliers is pertinent as it affects positively the performance of the projects. Nambuswa et al (2017) found out that Legislation on procurement is statistically significant with a positive impact on the importance of procurement performance. Namusonge et al, (2015) on their part realized that competitive bidding, legal framework and aggregation affect the performance of the procurement function. Other factors identified empirically include: capital availability followed by government structure, government policy and then procurement procedures Namusonge et al, (2016).

2. STATEMENT OF THE PROBLEM

The goal of any public entity is procure goods/works/service of the right quality and at an optimal cost and for them to be delivered right on schedule to the satisfaction of the end user. Besides that, it is also the duty of public entities in Kenya to promote local industry, sustainable development and protection of the environment; and promotion of citizen contractors and ensure maximization of value for money in all purchases among other objectives. Purchase of products of the right quality plays a significant role in eliminating need for reworks which are not only time consuming but also costly in the long run. Good quality products enhances customer satisfaction, are durable and most importantly cheaper in the long run. Mega projects executed with quality perfections can last a lifetime thereby saving the public on annual recurrent maintenance expenditure. Cost effective procurements reduces the overall cost of purchases and subsequently impacts positively on realization of value for money in acquisitions. Savings in purchase price, tendering cost, storage and

maintenance cost can release a lot of funds from the budget to other equally important functions. On time delivery is an important tool in customer satisfaction, projects completed right on time results into timely consumption thereby easing the need. The procurement function in public entities is key in ensuring projects are implemented on time.

This is however not necessarily the case in most public procuring entities. The OECD (2007) in its assessment of the procurement system in Kenya, identified: quality concerns, inflated prices, delays in project completions and substandard workmanship as major challenges to the procurement system in the country. Scholarly studies on performance of public procurement function have been mainly centered on the administrative aspects of public procurement. Namusonge et al (2015) for instance realizes that the performance of the procurement function contributes to the overall performance of an organization through cost savings, improved quality and reduced lead times, leads to internal and external customer satisfaction. Key among the factors that they identify influencing procurement performance include: competitive bidding, legal framework and aggregation of procurement. Other factors as identified by Onsongo et al (2012) include secrecy, inefficiency, corruption and undercutting. Mutai (2016) on his part observes that supplier competence has a significant effect on procurement operational performance. Ogwel (2016) in his study identifies planning, staffing, contract management & work environment as key factors affecting procurement performance. The empirical evidence provided by them however does not address factors influencing quality, cost and time performance in Trans Nzoia County. In light of the continued acquisition of goods, services and works of substandard quality; at relatively high price; and at delayed timings by public procuring entities as observed by scholars, there is need to investigate factors contributing to the same and suggest possible remedial action. This study therefore seeks to fill this gap by investigating factors that influence quality, cost and on time delivery in public procurement.

3. RESEARCH OBJECTIVES

3.1 General Objective

The general objective of the study is to assess the factors that influence quality in procurement in Trans Nzoia County Government in Kenya.

3.2 Specific Objectives

The specific objectives of the study is to determine factors influencing quality of procurements in Trans Nzoia County government

4. HYPOTHESES

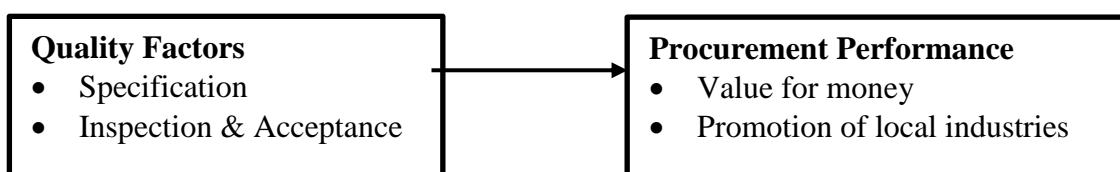
H₀₁: Quality of procurements does not affect performance of Trans Nzoia County Government

5. CONCEPTUAL FRAMEWORK

A summary of the conceptual framework is as indicated in figure 2.1 below.

Independent Variables

Dependent Variable



6. REVIEW OF VARIABLES

Empirical review is based on empirical evidence from similar scholarly articles (Mugenda and Mugenda, 2003). The empirical literature to be reviewed shall be based on studies similar to the variables under investigation.

6.1 Factors influencing Quality of procurement

Various definitions of quality have been put forward by quality gurus they include: conformance to requirement (Philip Crosby), this definition stresses on the specification aspect; quality is fitness for use (J.Juran), he stresses the customer

satisfaction aspect of quality; quality means a predictable degree of uniformity and dependability with a quality standard suited to the customer (W. Edwards Deming), this definition stresses need for consistency of conformance and performance while keeping the customer in mind. The America Society for Quality (ASQ) defines quality as excellence in goods and services, especially to the degree they conform to requirements and satisfy customers. It can therefore be observed that the key elements of quality that can be derived from the above definition include: Specification and Inspection and acceptance (conformance).

a) Specifications

Specifications have a direct impact on the cost, quality and time aspects which are crucial elements in determining the effectiveness and efficiency of a procurement function. Monzcka (2009), "specifying products or services requiring custom design and tooling affects a seller's price". According to Bhote, 1987, "At least half or even more of the quality problems between customer and supplier are caused by poor specifications, for which the buying company is largely responsible. The CIPS points the importance of spending time in developing specifications details to ensure consistency on pricing by vendors, operational functionality and also to ensure that products are fit for purpose they are intended for in order to reduce the financial impact of wrong specifications further down the line. The overall purpose of a specification is to provide a basis for obtaining a good or service that will satisfy a particular need at an economical cost and to invite maximum reasonable competition (Lloyd, 2004). Jeptepkeny et al, (2015) established that there was a significant positive relationship between project specification definition and the ultimate project performance in terms of cost and time reduction, quality deliverables. The specification phases can therefore not be underrated in the procurement process. JHA (2006) on the other hand identified that compliance with quality specifications is an important performance measure of any construction project. The repercussions and consequences of poor quality can be a loss in productivity; additional expenditure by way of rework and repair; loss of reputation, leading to loss in market share; and eventually being put out of business.

Bailey et al, (2004) observes that the role of issuing the technical specifications is to determine the level of quality required for the material resources to be supplied. The quality level can be defined by selection of brands or standards or by issuing the technical documentation, in the case of processes with particular characteristics or that have a large influence on the quality characteristics of the finished product. Monzcka (2009) observe the need for use of standard specifications, he states that Purchasers should specify industry-accepted standard parts for as much of their component requirements as possible and rely on customized items. He adds that if the requested item is complex or requires an untested or new production process, purchasing can include additional information or attachments to assist the supplier.

Birou (1998) observes that use of cross-functional teams is a common approach to addressing many supply management related activities, including new product development, standardization and simplification, engineering change management, the development of statements of work describing services. Specification development is where the user comes up with a clear and complete description of the items they want to procure or the work or services they want to be done (PPADA, 2015). This allows fair and open competition. Specification of items should describe the performance of that item, the measurements, time limit for delivery, and method of delivery, suppliers to participate in the tender, whether local or international (Boer & Telgen, 1998). If the wrong specifications are developed from the beginning, it will affect the whole procurement process since the item supplied will not be the correct one. The suppliers might not be able to interpret the actual item required making the suppliers not participate in the tender (Gary, 2008).

Other suppliers might decide to bid but each one will bid according to how they understand the specifications. This will affect the quality final item supplied (Grobbs & Benn, 2014). During specification development, it is very important to also ensure that you come up with clear and objective evaluation criteria, which will guide the supplier on the thing they need to include in the tender before submission (Grobbs & Benn, 2014). This will ensure fairness to the bidders by having a standard tender which every bidder can interpret. The evaluation criteria play a big role to the evaluation committee too. The evaluation committee will be guided by evaluation criteria throughout the evaluation for them to select the most compliant bidder (Halchin, 2013).

If wrong specifications are developed, this will lead to delivery of wrong material. The supplier must be paid because they will have supplied the items according to the specifications in the contract. The wrong items will not be used useful to the organization and will end up being a waste (Mazet & Dontewell, 2012). This will lead to monetary loss in the

organization since the items will have been paid for. The wrong items delivered will also affect the service delivery in an organization. This is because the items being procured were for a specific purpose which will be delayed as the whole procurement process will need to be repeated (Mokongi, et al., 2015).

b) Inspection and Acceptance

Inspecting of goods, services and works received for defects has traditionally be used in the control of quality since the Industrial Revolution. The main reason behind inspection is the underlying consideration of the recognition that defects are inevitable and therefore must be inspected out of the process. Deming, one of the major quality guru, indicates that the proper way to deal with defects is to design and operate the process such that defects never occur. This point requires that everyone, from the production line worker all the way through the executive, understands the concept of process variation and how it affects every production process. Rework and disposal efforts (also known as the “hidden factory”) increase cost and decrease productivity (Monczka, 2009). Studies have been conducted to aggregate different aspects of quality control that may have multiple benefits (Mirkovic et al, 2006). Inspection is considered as an important part of quality control. The main set for inspection is that it is not a value adding activity. The main reason for carrying out an inspection is to determine the conformance or non-conformance of a product manufactured (Bhowmick et al 2012). Two most important types of inspection are online inspection and offline inspection (Tzimerman & Herer, 2009). Online inspection is performed to monitor quality level during the manufacturing process (Tirkel & Rabinowitz, 2012; Tirkel & Rabinowitz, 2014). However, sometimes it is not feasible due to operation type and time. In this situation, offline line is a suitable alternative that is performed after the completion of manufacturing process (Tzimerman & Herer, 2009). Process of offline inspection can be performed at the end of assembly line when the product is finished or at different stages of manufacturing when the product is semi-finished.

According to the OECD, successfully improving the inspections and enforcement system requires to address a number of issues, notably: institutional overlaps and structures, clarifying which agency should deal with which type of risk, and reducing duplications and overheads; Roles and responsibilities of national and local structures, combining flexibility and responsiveness with coherence and consistency; Risk-focus in resource allocation, planning and implementation of inspection visits –relying on a comprehensive and up-to-date information system; Transparency of requirements and clear guidance, allowing businesses to know what is expected of them, and what they can expect from inspectors. Moshe, E.C, (2016), states that a central element of quality assurance is inspections. He adds that Inspections are however imperfect and prone to errors. According to him, inspectors can inadvertently reject conforming items. He observes that when several inspections are performed along a serial process, the number of falsely rejected items is similar in magnitude to (or even larger than) the number of defective items. Moreover, to compensate for this loss, more units should enter the process and consequently, more units turn defective. The quality team may not be aware of these effects, certainly of the last one, despite their practical significance.

Kwei T. & Helmut S. (2007), observe that in a complete inspection plan, every incoming item is subject to variable inspection. If the inspection result indicates that an item fails to meet predetermined specification limits, the item is reworked so that its quality characteristic is exactly equal to the target value. The specification limits are determined by the tradeoff among the cost incurred by imperfect quality, cost of rework and cost of inspection.

7. RESEARCH METHODOLOGY

7.1 Research Design

This study adopted the descriptive research design. The design is considered appropriate as it enables the researcher to reach many subjects within limited time (Kothari, 2005). The study was conducted at Trans Nzoia County Government. A case study is appropriate as it enables investigation of single entity in order to gain insight into the larger population. According to Oso (2005), where the number of organizations under investigation are few, a small sample is available and an in-depth analysis is necessary. Under such circumstances, he argues, a case study is the most appropriate design.

7.2 Target Population

The County Government of Trans Nzoia has a target population of 3555 employees, 176 of which are involved in procurement in some way mainly from finance but seconded to other departments. According to section 33 of the Public

Procurement and Asset Disposal Act, 2015, the procurement function at the county government level is domiciled in the County Treasury. This study targeted the 176 employees who are responsible in dealing with the execution of the procurement function. Below is a summary of the targeted population of this study

7.3 Sample Size and Sampling Techniques

A sample size of 70 was obtained from a population of 176. The study applied stratified and simple random sampling techniques. Stratified sampling was used to ensure each category of employees, that's management, Supervisors and Low level were represented. According to Mugenda, (2003) stratified sampling techniques is a technique that identifies sub-groups in the population and their proportions and select from each sub-group to form sample. It groups a population into a separate homogenous sub sets that share similar characters so as to ensure equitable representation of the population in the sample. Simple random sampling design was employed to select the sample size. To arrive at the sample researcher consider 40% of each stratum of the identified respondents (Nassiuma, 2000). A minimum of 1/3 of the target population should be included in the sample when dealing with a heterogeneous group. In simple sampling technique, the sample is selected without bias to arrive at specific respondents from each stratum.

7.4 Sampling Frame

The study focused on employees involved in the procurement processes from all the departments with all categories of employees forming basis of the sample frame. Neuman, (2003) argues that the main factor considered in determining the sample size is the need to keep it manageable enough. Also this enables the researcher to derive from it detailed data at an affordable cost in terms of time, finances and human resource (Mugenda and Mugenda (2003).

Table 3.2 provides an explanation on how the sample was derived from the frame.

Table 3.2 Sample size

Department	Population	Proportion	Sample size
Management	46	0.4	18
Supervisors	80	0.4	32
Low level	50	0.4	20
Total	176		70

Source: survey data

7.5 Data Collection Methods

The main instruments of data collection was the questionnaire. The use of questionnaire was the most appropriate as it ensured consistency of questions in all the respondents. The instrument utilized both structured and unstructured questions. The questions were intended to collect data on independent variables from employees of the county and how this affects procurement performance. The questionnaire was pre-tested within the county treasury department (the department is chosen because it's the main department that carries out procurement), this was done to ensure that no irrelevant question were present in the questionnaire and hence assessed the content validity.

The researcher personally administered the research tools after a prior visit that assisted in refining timings of distribution of questionnaires. It provided a rough picture of the respondents' expectations. The researcher agreed with the respondents when the research instruments were to be administered and specific dates of collecting the questionnaires. Adequate time was given to the respondents to respond to the questionnaire.

7.6 Data Analysis and Presentation

In this study, the data obtained from the questionnaires was analysed using descriptive analysis. The analysed data is presented and interpreted through simple frequency tables. The researcher uses SPSS (Statistical Package for Social Studies) version 17 to ensure that the data is analysed in a systematic way and comes up with useful conclusions and recommendations. Inferential statistics i.e. correlation and regression analysis and the analysis of variance (ANOVA) is used to establish the relationship between variables.

The Multiple linear regression model used is as follows:

$$Y = a + \beta_1 x_1 + \varepsilon$$

Where;

Y= performance of the procurement function

x_1 = quality of procurement

β_1 = coefficient of quality of procurements

ε = error term

The model used has the following assumptions:

- (i) each independent variable is related to the dependent variable
- (ii) because of random sampling , observation are independent of each other
- (iii) homogeneity of variance, thus at each level of the variance X_1 the variance of Y values is constant
- (iv) Y values are normally distributed around the mean at level of X in the population

8. RESEARCH FINDINGS AND DISCUSSION

8.1 Presentation of Findings

8.1.1 Quality and procurement Performance

The study sought to determine the effect of quality on procurement performance of county government of Trans Nzoia . The findings are presented in a five point Likerts scale where SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree and T=total.

From table 4.1 below, the respondents were asked whether the county uses cross functional teams in developing specifications that are complex in nature. The distribution of findings showed that 17.3 percent of the respondents strongly agreed, 50.2 percent of them agreed, 16.2 percent of the were neutral, 10.9 percent disagreed while 5.5 percent of them strongly disagreed. These findings implied that the county uses cross functional teams in developing specifications that are complex in nature.

The respondents were also asked whether the use of standard specification enables bidders understand better the buyer's requirements. The distribution of the responses indicated that 34.7 percent strongly agreed to the statement, 40.9 percent of them agreed, 22.7 percent of them were neutral, 0.7 percent of them disagreed while 0.9 percent of them strongly disagreed to the statement. These findings implied that use of standard specification enables bidders understand better the buyer's requirements.

The respondents were also asked whether the county uses consultants in development of technical specification that the county lacks capacity to use. The distribution of the responses indicated that 7.3 percent strongly agreed to the statement, 47.3 percent of them agreed, 29.1 percent of them were neutral, 5.5 percent of them disagreed while 10.9 percent of them strongly disagreed to the statement. These findings implied that the county uses consultants in development of technical specification that the county lacks capacity to use.

The respondents were further asked whether use of samples & brand names in specifications enhances quality of receipts and eases inspections. The distribution of the responses indicated that 27.0 percent strongly agreed to the statement, 30.9 percent of them agreed, 20 percent of them were neutral while 17.3 percent and 1.8 percent of them disagreed strongly and disagreed to the statement respectively. These findings implied that use of samples & brand names in specifications enhances quality of receipts and eases inspections.

The respondents were further asked whether early involvement of suppliers in the specification process enhances quality of products and services. The distribution of the responses indicated that 33.6 percent strongly agreed to the statement, 28.2 percent of them agreed, 20 percent of them were neutral, 12.7 percent of them disagreed while 5.5 percent of them strongly disagreed to the statement respectively. These findings implied that early involvement of suppliers in the specification process enhances quality of products and services.

The respondents were asked whether use of expression of interest by the county is important in developing quality specifications. The distribution of the responses indicated that 39.0 percent strongly agreed to the statement, 46.5 percent of them agreed, 7.0 percent of them were neutral, another 7.5 percent of them disagreed while none of them strongly disagreed to the statement respectively. These findings implied that use of expression of interest by the county is important in developing quality specifications.

The respondents were further asked whether use of technical inspection teams enhances early detection of quality concerns. The distribution of the responses indicated that 29 percent strongly agreed to the statement, 41.0 percent of them agreed, 17.3 percent of them were neutral, 11.8 percent of them disagreed while 0.9 percent of them strongly disagreed to the statement respectively. These findings implied that use of technical inspection teams enhances early detection of quality concerns.

Finally, the respondents were asked whether the county has strong contract monitoring & evaluation teams that county carries out inspection of goods at source and that penalizes suppliers whose goods are rejected for being substandard. The distribution of the responses indicated that 35.5 percent strongly agreed to the statement, 37.3 percent of them agreed, 16.4 percent of them were neutral and 10.9 percent of them disagreed while none of them strongly disagreed to the statement respectively. These findings implied that the county has strong contract monitoring & evaluation teams that county carries out inspection of goods at source and that penalizes suppliers whose goods are rejected for being substandard.

Respondents when asked to give their own opinion on what can be done to enhance the quality of its procurement, 25 percent stated that the county should use standard specification, 25 percent of the respondents indicated that penalization of suppliers due to poor or substandard services while others were for the idea that there should be decentralization of procurement function, use of strong monitoring and evaluation team and use of experts in specification together with others stating that there should a capacity building of procurement staff.

Table 4.5: Quality

Statements		SA	A	N	D	SD	T
The county uses cross functional teams in developing specifications that are complex in nature	%	17.3	50.2	16.2	10.9	5.5	100
Use of standard specification enables bidders understand better the buyers requirements	%	34.7	40.9	12.7	0.7	0.9	100
The county uses consultants in development of technical specification that the county lacks capacity to use.	%	7.3	47.3	29.1	5.5	10.9	100
Use of samples & brand names in specifications enhances quality of receipts and eases inspections	%	27.0	33.9	20.0	17.3	1.8	100
Early involvement of suppliers in the specification process enhances quality of products and services	%	33.6	28.2	20.0	12.7	5.5	100
Use of expression of interest by the county is important in developing quality specifications	%	39.0	46.5	7.0	7.5	0	100
Use of technical inspection teams enhances early detection of quality concerns	%	29.0	41.0	17.3	11.8	0.9	100
The county has strong contract monitoring & evaluation teams that county carries out inspection of goods at source and that penalizes suppliers whose goods are rejected for being substandard	%	35.5	37.3	16.4	10.9	0	100

9. INFERENTIAL STATISTICS

9.1 Pearson Correlation

The study sought to establish the strength of the relationship between independent and dependent variables of the study. Pearson correlation coefficient was computed at 95 percent confidence interval (error margin of 0.05). Table 4.9 illustrates the findings of the study.

Table 4.9: Correlation Matrix

		Procurement Performance
Quality	Pearson Correlation	.611**
	Sig. (2-tailed)	.000
	N	50

As shown on Table 4.9 above, the p-value for quality was found to be 0.000 which is less than the significant level of 0.05, ($p < 0.05$). The result indicated that Pearson Correlation coefficient (r-value) of 0.611, which represented an average, positive relationship between quality and procurement performance.

9.2 Multiple Linear Regression

Multiple linear regressions were computed at 95 percent confidence interval (0.05 margin error) to show the multiple linear relationship between the independent and dependent variables of the study.

9.3 Coefficient of Determination (R^2)

Table 4.10 shows that the coefficient of correlation (R) is positive 0.519. This means that there is a positive correlation between factors influencing procurement performance in the county government of transnoia. The coefficient of determination (R Square) indicates that 28.9% of procurement performance in the county government of TransNzoia is influenced by the various factors. The adjusted R^2 however, indicates that 26.2% of procurement performance in the county government of TransNzoia is influenced by the said factors leaving 73.8% to be influenced by other factors.

Table 4.10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.519 ^a	.289	.262	4.10718
a. Predictors: (Constant), quality, cost, on time delivery				

9.4 Analysis of Variance

Table 4.8 shows the Analysis of Variance (ANOVA). The p-value is 0.000 which is < 0.05 indicates that the model is statistically significant in predicting how factors influencing procurement performance in the county government of TransNzoia. The results also indicate that the independent variables are predictors of the dependent variable.

Table 4.11: ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	686.766	3	171.691	12.178	.000 ^b
	Residual	1771.234	50	16.869		
	Total	2458.000	109			

9.5 Regression Coefficients

From the Coefficients table (Table 4.9) the regression model can be derived as follows:

$$Y = 26.641 + 0.603X_1$$

The results in table 4.11 indicate that all the independent variables have a significant positive effect on procurement performance. The most influential variable is quality with a regression coefficient of 0.603 (p-value = 0.023). According to this model when all the independent variables values are zero, procurement performance of will have a score of 26.641.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	26.641	2.938		53.273	.000
Quality	.603	.157	.694	2.985	.000
Cost	.360	.187	.281	2.487	.018
On time delivery	.380	.146	.352	2.608	.025

9.6 Hypothesis Testing

9.6.1 Hypothesis One

Ho₁: Quality does not have a significant effect on procurement performance.

From Table 4.12 above, quality ($\beta = 0.606$) was found to be positively related procurement performance. From t-test analysis, the t -value was found to be 2.985 and the ρ -value 0.000. Statistically, this null hypothesis was rejected because $\rho < 0.05$. Thus, the study accepted the alternative hypothesis and it concluded that quality affects procurement performance of the county government of TransNzoia.

10. SUMMARY, CONCLUSION AND RECOMMENDATIONS

10.1 Quality and Procurement Performance

The study sought to determine the effect of quality on procurement performance of county government of Trans Nzoia. The findings were that the majority of the respondent indicated that the county uses cross functional teams in developing specifications that are complex in nature and that use of standard specification enables bidders understand better the buyer's requirements. The respondents agreed that the county uses consultants in development of technical specification that the county lacks capacity to use. On the statement of use of samples & brand names in specifications enhances quality of receipts and eases inspections had majority agreeing. They also indicated that early involvement of suppliers in the specification process enhances quality of products and services and use of expression of interest by the county is important in developing quality specifications. The respondent further agreed that use of technical inspection teams enhances early detection of quality concerns together with a majority response of the county having strong contract monitoring & evaluation teams that county carries out inspection of goods at source and that penalizes suppliers whose goods are rejected due to sub standardization.

10.2 Conclusion

Based on the findings, the study concluded as follows;

Quality ($\beta = 0.606$) was found to be positively related procurement performance. From t-test analysis, the t -value was found to be 2.985 and the ρ -value 0.000. Statistically, this null hypothesis was rejected because $\rho < 0.05$. Thus, the study accepted the alternative hypothesis and it concluded that quality affects procurement performance of the county government of TransNzoia.

10.3 Recommendations

The county government should have an early involvement of suppliers in the specification process e.g. Use of expression of interest by the county and use of technical inspection teams, enhances early detection of quality of products and services. The county should have a strong contract monitoring & evaluation teams that county carries out inspection of goods at source and that penalizes suppliers whose goods are rejected for being substandard. The county should carry out an independent market survey before awarding tenders that results to transparent and accountable procurement processes that lower procurement prices and do a verification of all documents submitted by suppliers during the evaluation process and visit sites of suppliers in exercise of due diligence during evaluation. Senior and experienced officers to evaluation teams should be appointed through use of Quality Cost Based Selection (QCBS) evaluation technique in assessing suitability of suppliers.

10.4 Areas for further Research

This study has identified factors that influence performance of the Procurement Function in Trans Nzoia County Government. Therefore the study recommends a further study on evaluation of factors influencing market prices values on procurement performance in public and private sectors.

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