

Influence of Public Project Procurement Procedures on Customer Satisfaction in Trans Nzoia County, Kenya

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Abstract: Public project procurement is an important and expensive business activity for the Kenyan taxpayers. This is because a large portion up to 70% of the revenue collected is spend on operational budget on purchasing goods and services. Public project procurement is generally the process of acquiring goods and services. The study was focused on analyzing the influence of public project procurement procedures on customer satisfaction in public sector in Kenya. Specific objectives of the study were to evaluate the influence of the documentation for the condition of evaluation on customer satisfaction in Trans Nzoia County, to assess the influence of the evaluation criteria on customer satisfaction in Trans Nzoia County, and lastly to establish the effect of the awards of tenders on customer satisfaction in Trans Nzoia County. The study adopted Descriptive Research Design. The target population was 2635 contractors in Trans Nzoia County. These are pre-qualified contractors doing business with the county supply chain management sector which is in charge of public project procurement in Trans Nzoia County. Simple random sampling technique was employed in the selection of a sample of 96 respondents. A structured questionnaire was used to collect primary data and 69 respondents responded giving a response rate of 71.88%. Quantitative methods of data analysis were used to analyze the gathered data. The quantitative data generated were analyzed by use of descriptive statistics feature in Statistical Package for Social Sciences (SPSS) to generate information which were presented using tables, charts, frequencies and percentages and inferential statistics to make inferences about a population from observations and analyses of a sample. The regression model was used to show the relationship between the dependent variable and the independent variables.

The results indicated that documentation, evaluation criteria and award of tenders accounted for 55% of the variation in customer satisfaction. The regression analysis results indicated that an increase in documentation, evaluation criteria and award of tenders by one unit would increase customer satisfaction of the units respectively. The study concluded that there has been poor adherence to the set public project procurement procedures in Trans Nzoia County leading to low customer satisfaction. There is need for the County government and the entire supply chain management sector to look into the entire project procurement process in relation to documentation, evaluation criteria and award of tenders.

Keywords: Public project procurement, Customer satisfaction, Procurement procedures.

1. INTRODUCTION

Worldwide, public project procurement has become a critical issue of public concern and has been subjected to rules, reforms, and regulations. Public project procurement is the purchasing of goods and services for public projects using public funds by a procuring enterprise according to the World Bank (2004). Accountability is the primary purchase principle in agreement to Thai (2001). The law states that effective mechanisms must be in place to enable procuring

departments to spend the limited resources. They use the resources keeping in mind of the accountability expected from them by the public. The members should be given an equal opportunity when it comes to tendering for the procurement of certain goods and services. The stipulated procedures should be adhered to so as to allow for free and fair competition.

The public project procurement has a huge effect on the economy that's why it needs to be well managed. According to research the percentage of public purchase in a country is estimated to be between 10% and 30% of the GNP(Callender& Mathews, 2000).Public procurement is controlled by the government and is financed by taxation, grants, public debts and fees for services. To achieve this laid down public project procurement procedures ought to be followed without any compromise hence customer satisfaction. The primary goal of public project procurement is the effective and efficient provision of public service in all the projects carried out including building of roads, bridges, dams, electric power plants, hospitals and schools. It is aimed at the satisfaction of clients regarding cost, quality, and timeliness of the delivered product or service, minimizing administrative operating expenses, conducting business with integrity, fairness, and openness.

According to (Roodhooft&Abbeele, 2006), public bodies have always been large purchasers, being allocated budgets by the national government. The public procurement accounts for 18.43% of the world's GNP according to Mahmood (2010).The procurement mentioned earlier is said to be essential in service delivery since it covers a huge proportion of annual total expenditure(Basheka&Bisangabasaija, 2010). For example, public procurement accounts for 60% in Kenya (Akech, 2005), 58% in Angola, 40% in Malawi and 70% of Uganda's government spending (Wittig, 1999; Government of Uganda, 2006) as cited in Basheka and Bisangabasaija (2010).

The public procurement system in Kenya evolved to an orderly and legally regulated system governed by the Public Procurement and Disposal Act, 2005. Before this, it was governed by Treasury Circulars from 1969, then the Supplies Manual of 1978, before enacting of the Exchequer and Audit (Public Procurement) Regulations, 2001. The legal framework governing public procurement in Kenya comprises the Constitution of Kenya, 2010 the PPDA, PPDR and the Public Procurement & Disposal (Public Private Partnerships) Regulations, 2009(PPPR). The goal of the PPDA is establishing procurement procedures, disposal of obsolete equipment and stores for the public enterprises.

In Kenya, the government is the leading provider of essential services such as health, education, defense and infrastructure (Odhiambo&Kamau, 2013). This is mainly done through procurement function, making it paramount, and the sheer magnitude of procurement outlay has a significant impact on the economy and needs to be well managed (Ogachi, 2011). The Ministry of Finance Strategic Plan (2010-2014) shows that the government spends approximately 70% of the budget on procurement. The total expenditure for the financial year 2012/2013 was estimated to be 76.6%, equivalent to 895 billion Kenya shillings of gross estimates.The budget in 2013/2014 was Ksh1.6 trillion, which means that the government procurement spending was slightly over Ksh.1 billion (Odhiambo&Kamau, 2013).

Although several sectors in Kenya have taken steps to reform their public project procurement systems, the process is still characterized by inefficiency, corruption, and bribes. In all these cases, massive amounts of resources are wasted (Odhiambo&Kamau, 2013) and a significant portion ends up in individual's pockets hence the targeted beneficiary of the funding does not benefit.

Public project procurement workers should be prepared for conflicts of interest in their workplace. The employees should also not use their positions in the workplace to gain benefits for their own or someone else. The employees should strive to do their best and assure the public of their professionalism and accountability.The personnel mandated with procurement need to be able to demonstrate that their decisions are fair and equitable and made in agreement with the law, Procuring Entity rules and procedures, and conditions of the contract.

There is a need for non-discrimination and transparency in the procurement industry due to the large some of the money in use (Huiet al, 2011). Therefore, a well laid down project procurement procedures on documentation, evaluation criteria and awards is critical in improving the effectiveness of public thus enhancing customer satisfaction. Failure to properly manage the public project procurement procedures will lead to reduced customer satisfaction consequently increased poor service delivery, increased corruption, money laundering breakdown of government systems and deprivation of social and economic rights of the citizenry and decline of economic growth.

Statement of the problem:

Lack of transparency, discrimination, conflict of interest and political interference has led to the procurement of poor quality products and services in public institutions thus leading to low customer satisfaction. However according to the ministry of finance customer satisfaction survey (2015) in ensuring transparent and accountable procurement and disposal of public goods and services was at 64.6%. Government project procurement procedures are key determinants of the outcome of the acquisition process. They serve as channels whereby the final results to the consumers who are the contractors receive. This process covers all the activities undertaken during the period when the user expresses the need for a given item to the point when the particular item is received and all accompanying transactions completed (Farmer & Weele, 2000). It is a process that should always ensure efficient utilization of the available resources so as to achieve the objective of value for money which is the taxpayers' money.

Regardless of the enactment of the Public Procurement and Disposal Act, 2005 and operationalization of various regulations to improve the procurement function performance Kenya's public project procurement has been devastated by corruption and scandals amounting to billions of money. Many projects done by the economic stimulus programme were never completed including the construction of roads, classrooms and hospitals. Annually Kenya losses over 608 billion shillings of its budget which equates to over 80 percent of corrupt practices in Kenya still occurring in public project procurement. The project procurement procedures are not adhered to leading to poor delivery of goods and services to the people of Kenya hence a negative impact on customer satisfaction (KACC Perception Survey 2010).

Limited research has been done linking public project procurement procedures and customer satisfaction, for instance, Ondore et al (2015) did a study on the impact of different strategies adopted by public schools on their procurement processes. Their research objectives were to: Establish the status of acquisition strategies in public secondary schools. They would further reach on the factors that affect settlement time, process and satisfaction of customers during the procurement process. This was to be done in government schools.

Irene (2014) researched on procurement practices and the performance of parastatals in Kenya; she found out that procurement is a valuable resource to achieving improved organizational performance and a driving force. She also discovered that if procurement practices are employed effectively then is expected to preserve the environment, improve customer relationship and increase staff coordination. Abdi (2012) studied procurement practices in Kenya's public corporations and found that employees understand what each supposed to do, there is also segregation of duties thus there are incidences of collusion among them.

Looking at the studies above it is evident that though studies have been done on procurement, but no study has been done on the influence of public project procurement procedures on customer satisfaction in Kenya. Therefore the study sought to ascertain the actual impact of public project procurement procedures on customer satisfaction. More so to identify the acquisition process that can be improved, how documentation, evaluation criteria and awards of tenders can be used to increase customer satisfaction.

Objectives of the study:

The primary reason from this study was to investigate the influence of public project procurement procedures on customer satisfaction in Kenyan public sector.

The specific objectives of this study were:

1. To evaluate the role of the documentation for conditions of evaluation on customer satisfaction in Trans Nzoia County.
2. To assess the impact of the evaluation criteria on customer satisfaction in Trans Nzoia County.
3. To establish the effect of the tender awards on customer satisfaction in Trans Nzoia County.

2. THEORETICAL BACKGROUND

This research mainly focused on influence of public project procurement procedures on customer satisfaction in Kenyan public sector. The underpinning theories included; Information processing theory, Institutional Theory, The theory of positivism and The game theory.

Information processing theory:

Tushman and Nadler (1978) propagated the assumptions about the information processing theory of organizations. According to Luthans (1996), regardless of different viewpoints, the systems approach further than a few other conceptual views, has led theorists on organizational behavior to take an integrated approach to the organization as one and as a mutually dependent part. The current approach of groups as information processing systems experience uncertainty serving as a link between systems theory and information processing theory.

This information processing theory approach makes three main assumptions regarding organizations. First, organizations are open systems that face outside environmental ambiguity and inherent, work-related job uncertainty.

According to Galbraith (1995) the team ought to have mechanisms and be prepared to analyze and cope with this environmental and task uncertainty. In particular, the organization ought to be able to collect, infer, and process suitable information to ease the uncertainty. The second postulation is as follows: given the range of sources of uncertainty, a fundamental function of the organization's arrangement is to make the most appropriate configuration of job units as well as connectivity between these units to aid the successful collection, handing out, and dissemination of information. The final fundamental assumption involves the central organizational units of the system. Since the subunits have different levels of differentiation, it is essential to scrutinize the information subsystems, data processing, sensor, a control subsystem, decision subsystems, and memory subsystem of these subunits. With this theory we are concerned with the structural mechanisms that will aid successful synchronization among differentiated yet interdependent subunits in the processing of information to ensure sustainable, efficient and effective procurement.

Institutional Theory:

The above approach helps examine public procurement elements which emphasize on laws, rules, and sanctions as an enforcement mechanism, with expedience as the basis for compliance (Scott, 2004). According to Scott (2004), institutions are composed of cultural-cognitive and regulative elements that, together with associated activities and resources give meaning to life. He further explains the three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as enforcement mechanism, with expedience as basis for compliance. The normative pillar refers to norms (how things should be done) and values (preferred or desirable), social obligation being the basis of compliance. The cultural-cognitive pillar rests on shared understanding (common beliefs, symbols, shared understanding). In other respects, this dimension includes the extent to which there is support for sustainable procurement at senior levels in an organization and the degree to which organizational processes and structures support, or retard, the development of sustainable supply (Brammer & Walker, 2007). This theory is important when it comes to the implementation of sustainable project procurement policy and practice in organizations that serve the public. This is a matter of organizational culture and the degree to which the prevailing climate in an organization is supportive of sustainability and change in general.

The theory of positivism:

The concept of transparency is linked to several legal theories. However, this study is built on the philosophy of positivism. Positivism is the understanding of things without looking at the social, political and philosophical background. Jeremy (1769), a proponent of legal positivism argues that the law should be applied as it is. The existence of the law is different from its demerits or merits. Positive law is properly and strictly so called, as the command of the sovereign. This strict application of the law gives rise to a further theory of the rule of law. The rule of law is a constitutional ideal emphasized by Dicey (1915) who associated the status of law with the rights-based liberalism and judicial review of governmental action. The rule of law postulates that the rights of individuals should be determined by legal norms and not the irresponsible behavior of authorities. It emphasizes that everyone, regardless of his position in society, is subject to the law. The paramount fact about the law is that it depends on person liberty. The success of the law depends on the jury trials and judges partially. Orders such as certiorari and mandamus are of importance in the matter. In sum, the theory postulates that the Government is obliged to obey the law and discharge all its statutory and legal obligations. Therefore in the context of public procurement, all the decision-making processes should be anchored in law to promote transparency of operations especially in the award of tenders therefore this theory is relevant to the study.

The game theory:

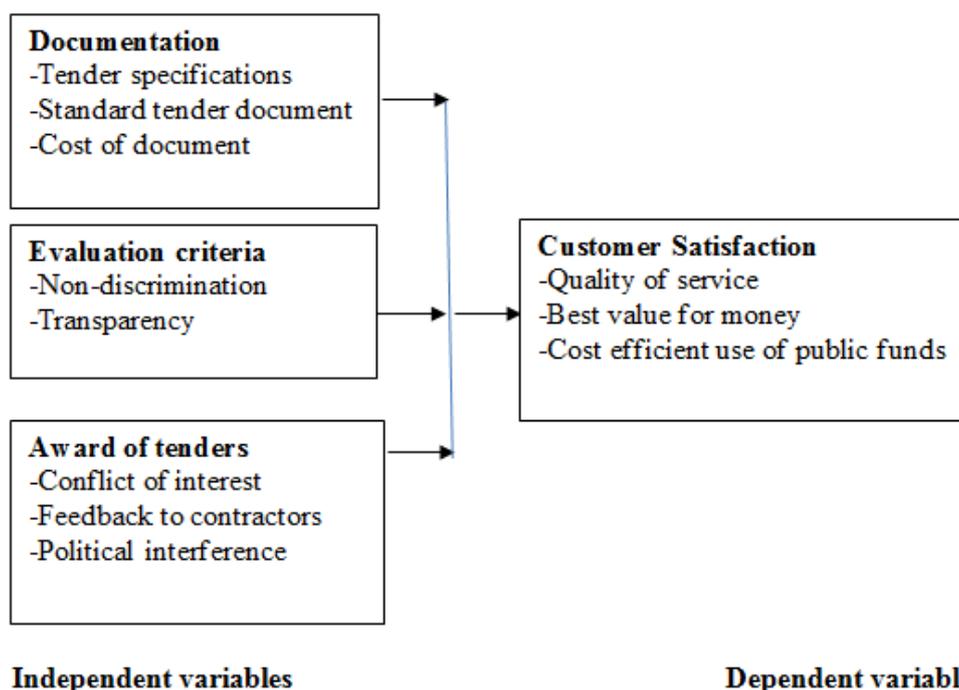
Game theory is an economic theory branch that focuses on analyzing and modeling conflict decision situations, which involve more subjects. Individual players selected from possible alternatives while considering choices of the opponent. The output of the game is determined for each combination of strategies of players by so-called payoff function or payoff matrix (Dlouhy, (2009). Prisoner's dilemma game is used to analyze the cooperation in works contracts within the dissertation (Ericsson, 2007). Many authors focus on the effects of competition and price in public procurement. It is agreed by the publications that the higher the number of bidders the lower the price. It is also believed that a competitive surrounding is essential in the public procurement process. The game theory is not only used to explain relations on the supply side, but players from the public sector may also be included, such as in Medda (2007). Game theory approach is applied in the article on a project which examines the impact of compensations for unsuccessful tenderers and the impact of further negotiations on the price of the project.

This theory is relevant since it is possible to analyze the decision-making process of firms and individuals seeking a public contract and deciding about their bid price. It is evident that if the company or individual offers a low price, it will increase the probability of being selected. Such a firm, on the other hand, reaches only a small profit or even a loss. Deciding on the price is thus affected by expectations of prices set by other companies.

Theories are imperative when it comes to the understanding of the implementation of sustainable project procurement policy and practice in organizations and governments. Principles discussed herein are the information processing theory, the institutional theory, the theory of positivism and the game theory. These theories concur with the study in the essence that the concerned parties ought to be aware of the necessary documentation needed at any given time for successful completion of a given project from inception to closure. The entire process of public project procurement in each step of project implementation law and order ought to be adhered to the later. This will result to successful implementation of the entire project and thus results to customer satisfaction. This requires organizational culture in the public institutions concerned with project procurement.

Conceptual Framework:

A concept of the framework is the structure of concepts which are put together as a map for the study, and it shows the relationship of research variables (Mugenda & Mugenda, 2008). The dependent variable responds to the independent variable (Everitt, 2002). The conceptual framework is used to explain the relationship between the independent variables and the dependent variable



3. RESEARCH METHODOLOGY

The study adopted descriptive research design. The descriptive study allowed for the gathering of quantifiable information that can be used for statistical inferences on the target population through data analysis. This was guided in the collection of the data to ensure that the data collected was relevant to this study from the identified sample frame. This enabled the researcher to gain an insight into the issue of public project procurement procedures and how it influences customer satisfaction in Trans Nzoia County.

According to Mugenda and Mugenda (2008), target population refers to a group of individuals, objects or items from which samples are taken for measurement. It is the particular population about which information is desired. The target population of this study was selected from Trans Nzoia County Supply Chain Management sector that has 2635 pre-qualified contractors (Director Procurement). This community was essential because these are the personnel who do business with the SCM industry whose mandate is to carry out project procurement on behalf of all other industries in the County.

Sampling refers to the process of the selection of a portion of the population to represent the entire population in study (Polit & Hungler, 1996). The sample size of 96 respondents was used. Simple random sampling allowed the researcher to give an equal opportunity to all pre-qualified contractors.

The following formula by Miller and Brewer (2003) was used to choose the sample size for the study;

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

Where

α – Level of significance

n- Sample size

N- Population

To attain a cross section size, the sample size will be determined at 90% confidence level (implying 0.10 significance level).

$$n = \frac{2635}{1 + 2635(0.1)^2} = 96$$

This study targeted a sample size of 96 respondents. Ogachi (2011) argued that the use of a generous sample is appropriate because it is quick, inexpensive, efficient and accurate means of assessing information about the population.

The study used structured questionnaires in order to collect data. Kirakowski (2008) defines a questionnaire as a method for the elicitation, recording and collecting of information. The questionnaires were used because they are inexpensive. A closed ended questionnaire was used. The closed ended questions made use of a five point likert scale where respondents were required to fill according to their level of agreement with the statements. The questionnaires were framed in accordance with the objectives of the study. Quantitative data were collected from closed ended items in the questionnaire.

A structured questionnaire was used to collect data and it was administered using a drop and pick later method. Kothari (2008) stated that, questionnaires are very economical in terms of time, energy and finances. Closed ended questionnaires were used to collect data whereby primary data were collected.

Before the actual study was done, it was crucial to conduct a pilot study. Robson (1993) argued that piloting provides an opportunity for researchers to test their confidence in identifying shortcomings that may affect the actual collection of useful data. The pilot study evaluated the effectiveness and validity of the instruments. Its' purpose was not to collect data but to refine the process and instrument. It provided an opportunity to detect and remedy potential problems such as questions that respondents do not understand; questions that combine two or more issues in a single; and questions that make respondents uncomfortable. In this study to carry out the pilot test a sample of 5 contractors were randomly selected.

The research instrument used was a questionnaire and the validity was ensured by including objective questions. This was achieved by pre-testing the research instrument so as to identify and change any ambiguous, awkward or offensive questions and technique as emphasized by Cooper and Schindler (2003). The choice of questionnaires as the research instrument was based on the following: Questionnaires are familiar to most people; Questionnaires reduce bias as there were uniform question presentation and no middle-man bias. Additionally there is flexibility since the researcher intends to use a drop and pick method as well as confidentiality of responses shared by respondents.

Reliability on the other hand refers to a measure of the degree to which research instruments yield consistent results (Mugenda&Mugenda, 2003). In this study, reliability was ensured by pre-testing the questionnaire with a selected sample from 5 contractors randomly selected from the list of pre-qualified contractors which were not included in the actual data collection. The pre-test was conducted by both the principal researcher.

Before processing the responses, the completed questionnaires were edited for completeness and consistency. The data was then be coded to enable the responses to be grouped into categories. Descriptive data analysis was employed.

The data obtained from the research instruments was analyzed by use of descriptive statistics (frequencies and percentages) as well as inferential statistics. The Statistical Package for Social Sciences (SPSS) computer software version 22was used specifically for the purpose of analyzing the quantitative data and presenting it inform of tables, pie charts and bar charts.

The multiple regression models was used to show the relationship between the dependent variable and the independent variables.

Regression Model

The Regression Model that was tested is as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where:

Y=Customer satisfaction (Dependent variable)

X₁= Documentation (Independent variable)

X₂= Evaluation criteria (Independent variable)

X₃ = Award of tenders (Independent variable)

β_0 =Constant of Regression,

β_i =Regression coefficients, i=1,2,3

ε = Error of Regression

4. RESEARCH FINDINGS AND DISCUSSION

Response Rate:

A total of 96 questionnaires were distributed to selected pre-qualified contractors. However, only 69 questionnaires were fully filled and returned and the remaining 27 were not returned representing a significant response rate of 71.88%.

General Information:

The researcher analyzed the background of the respondent using demographic and general knowledge perception to understand the view of the contractors. In the questionnaire; gender, age group, educational qualification, period one has been involved in public projects and the number of contracts one has won. The respondent's responses are as below.

Gender of the Respondents:

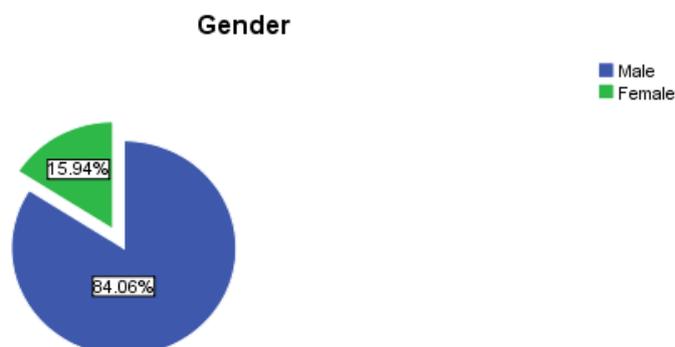


Figure 4.1: Gender of the respondents

The study sought to determine the gender disparity of the respondents. The results from analysis are illustrated in the Figure 4.1 as shown above. The finding shows that 84% of the respondents were male and 16% of the respondents were female. This implies that more male responded to interview and returned the questionnaires during the research. This indicates that majority of the pre-qualified contractors were male. It is important that the above comply with current constitution by ensuring that at least 30% of the pre-qualified contractors are female.

Age group of the Respondents:

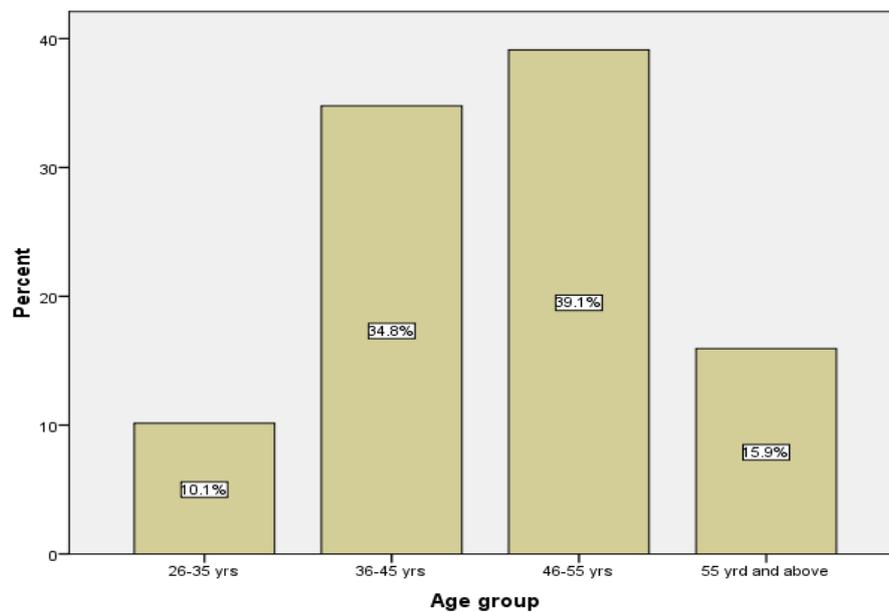


Figure 4.2: Age group of the respondents

The research shows that a majority of the pre-qualified contractors are above 36 years. The study also found that 10.1% of the respondents were aged between 26 and 35 years, 34.8% were aged 36 and 45 years, 39.1% were aged between 46 and 55 years, and 11% were 55 years old and above. As indicated above a majority of the respondents (73.9%) were aged between 36 and 55 years.

Educational Level of the Respondents:

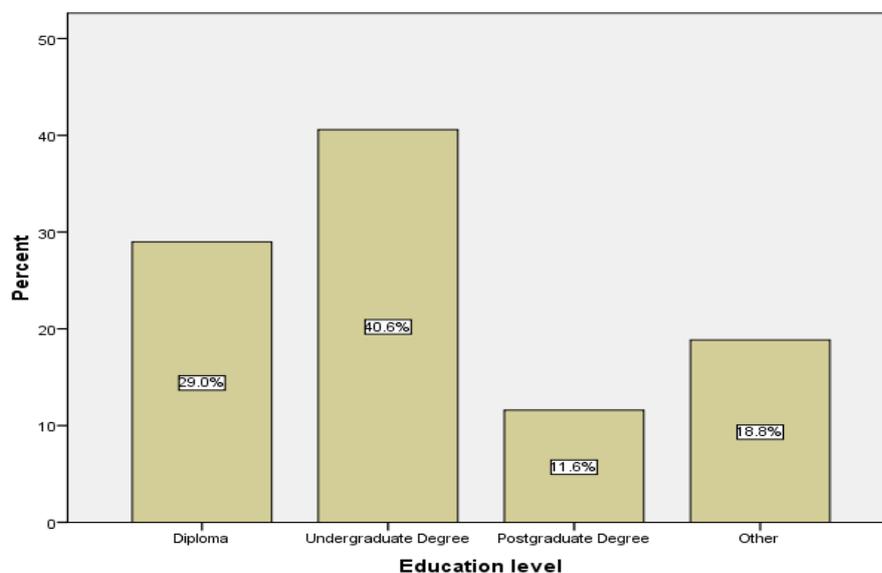


Figure 4.3: Education level of the respondents

It was important to establish the education level held by the study respondents in order to ascertain if they were equipped with relevant knowledge and skills. As presented in table Figure 4.3, majority (40.6%) had undergraduate education level, 29.0% had diploma education level, 11.6% had post graduate education level, and 18.8% had professional qualifications in masonry. These findings implied that most of the respondents were qualified to understand the nature of the study problem. This concurs with Joppe (2000) that during research process, respondents with technical knowledge on the problem under study assist in gathering reliable and accurate data on the problem under study.

Period of time involved in project procurement activities:

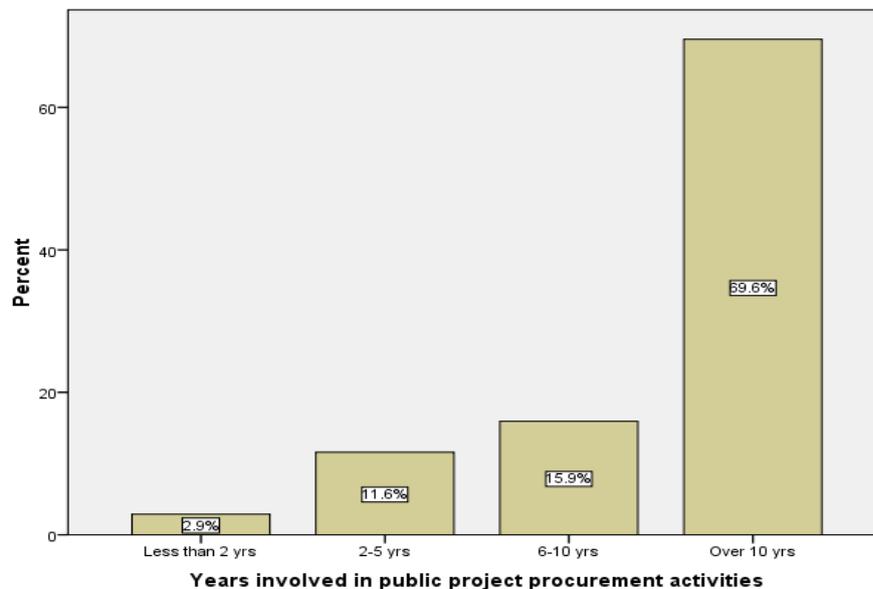


Figure 4.4: Years of involvement of the respondents

The study determined the number of year the respondents have been involved in public project procurement activities. From the findings in Figure 4.4, (69.6%) indicated to have been involved in procurement activities for over 10 years, 15.9% have been involved in procurement activities between 6-10 years, 11.6 % have been involved in procurement activities for a period of 2-5 years and 2.9% have been involved in procurement activities for a period less than 2 years.

Number of tenders awarded:

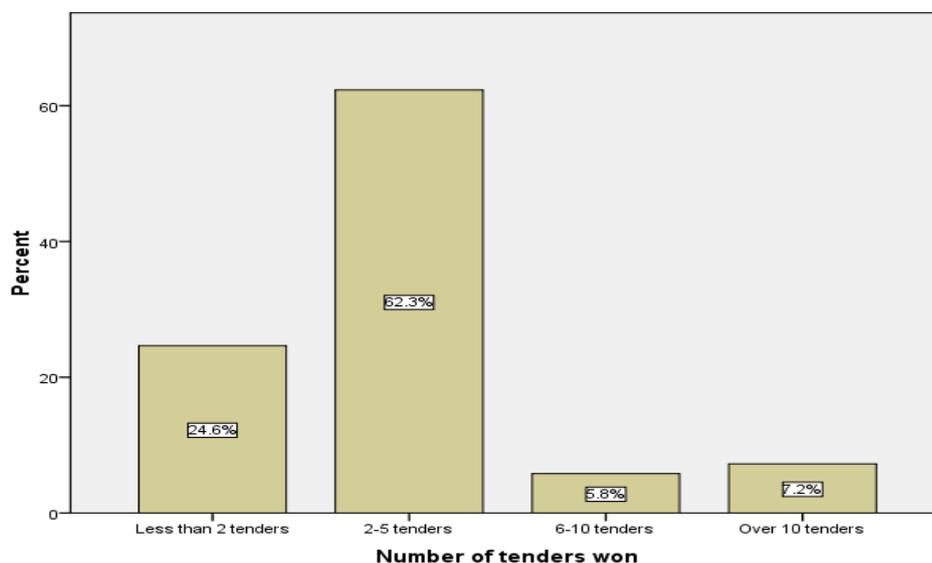


Figure 4.5: Number of tenders won by the respondents

The researcher sought to find out the number of tenders a contractor had been awarded since the start of devolution. From the findings in Figure 4.5, majority 62.3% had won 2-5 tenders, 24.6% had won less than 2 tenders, 5.8% had won between 6-10 tenders, and 7.2% had won over 10 tenders. This shows that the many of the contractors had won very few tenders since the start of devolved government system despite the fact that they are listed as pre-qualified contractors and many projects are being undertaken.

Documentation for the condition of evaluation on customer satisfaction:

Table 4.1: Documentation and customer satisfaction

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean scores
The county use a standard tender document	Fq (%) 6 (8.7)	Fq (%) 7 (10.1)	Fq (%) 8 (11.6)	Fq (%) 13 (18.8)	Fq (%) 35 (50.7)	2.07
The county has a link to the tender portal acting as a database for tender	1 (1.4)	7 (10.1)	10(14.5)	17(24.6)	34(49.3)	1.90
Tender documents are easily accessible at the county	5 (7.2)	0	4 (5.8)	31 (44.9)	29 (42.1)	1.86
Overall Mean						1.94

The first objective sought to determine the documentation for the condition of evaluation on customer satisfaction. The respondents were given a set of statements relating to the documentation for the condition of evaluation on customer satisfaction and asked to rate them on a scale of 1 to 5, where 1= strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

Findings as presented in Table 4.1 show the mean response for the documentation for the conditions of evaluation on customer satisfaction. The respondents were asked to state the extent to which they agreed with given statements on the documentation for the conditions of evaluation on a five point likert scale chart used for data collection where a mean of 1.0 – 1.9 is a strongly disagree, 2.0 – 2.9 is disagree, 3.0 – 3.9 is neutral, 4.0 – 4.9 is agree and a mean value above 4.9 is strongly agree. The items means scores were 2.07, 1.90 and 1.86. The average of the means scores is 1.94 which is below 2.9 signifying that the respondents disagreed with statements regarding documentation for the condition of evaluation on customer satisfaction. This implies that the respondents confirmed that documentation for the conditions of evaluation on customer satisfaction is key in public project procurement procedures.

Based on the frequency results, evaluation based on the county use of a standard tender document was strongly disagreed as this was reported by 50.7% and 18.8% of the respondents who disagreed, 11.6% were neutral, 10.1% agreed and 8.7% strongly agreed. Evaluation based on the county link to the tender portal acting as a database for tender was strongly disagreed as this was reported by 49.3% and 24.6% of the respondents who disagreed, 14.5% were neutral, 10.1% agreed and 1.4% strongly agreed. Evaluation based on tender documents are easily accessible at the county was strongly disagreed as this was reported by 42.1% and 44.9% of the respondents who disagreed, 5.8% were neutral and 7.2% strongly agreed.

The findings concurred with Schotanus et al 2011 that dissatisfaction among stakeholders is brought about by loopholes by the regulations which may be used by dishonest people to make the procurement process inefficient. As indicated by the respondents they were in disagreement with regards to the statements which implies that the laid down rules on documentation are not adhered to.

Level of compliance to project procurement procedures on evaluation criteria:

Table 4.2: Level of compliance on evaluation criteria

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean scores
Public entities adhere to the set public project procurement procedures.	Fq (%) 0	Fq(%) 1(1.4)	Fq (%) 2(2.9)	Fq (%) 41(59.4)	Fq(%) 25(36.2)	1.70

The evaluation criteria is clearly stated to the bidders.	0	6(8.7)	5(7.2)	30(43.5)	28(40.6)	1.84
Our firm-customer relationship has been enhance with the adherence to the set public project procurement procedures.	0	0	9(13)	24(34.5)	36(52.2)	1.61
Public project procurement procedures are effective and efficient.	2(2.9)	0	3(4.3)	41(59.4)	23(33.3)	1.80
When the project procurement procedures are adhered to leads to poor delivery of goods and service hence a negative impact on customer satisfaction.	0	2(2.9)	0	21(30.4)	46(66.7)	1.39
Overall Mean						1.67

The second objective sought to determine the level of compliance to project procurement procedures on evaluation criteria. The respondents were given a set of statements relating to the level of compliance to the project procurement procedures on evaluation criteria and asked to rate them on a scale of 1 to 5, where 1= strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

Findings as presented in Table 4.2 show the mean response for the level of compliance to the project procurement procedures on evaluation criteria. The respondents were asked to state the extent to which they agreed with given statements on the level of compliance to the project procurement procedures on evaluation criteria on a five point likert scale chart used for data collection where a mean of 1.0 – 1.9 is a strongly disagree, 2.0 – 2.9 is disagree, 3.0 – 3.9 is neutral, 4.0 – 4.9 is agree and a mean value above 4.9 is strongly agree. The items means scores were 1.70, 1.84, 1.61, 1.80 and 1.39. The average of the means scores is 1.67 which is below 1.9 signifying that the respondents disagreed with statements regarding level of compliance to the project procurement procedures on evaluation criteria. This implies that the respondents confirmed that level of compliance to the project procurement procedures on evaluation criteria is important in public project procurement procedures.

Based on the frequency results, evaluation based on the adherence to the set public project procurement procedures was strongly disagreed by 36.2% and 59.4% of the respondents who disagreed, 2.9% were neutral, and 1.4% agreed. Evaluation based on the evaluation criteria is clearly stated to the bidder was strongly disagreed by 40.6% and 43.5% of the respondents disagreed, 7.2% were neutral, and 8.7% agreed. Evaluation based on firm-customer relationship was strongly disagreed by 52.2% of the respondents, 34.8% of the respondents disagreed, and 13% were neutral. Evaluation based on project procurement procedures are effective and efficient was strongly disagreed by 33.3% of the respondents, 59.4% of the respondents disagreed, 4.3% were neutral, and 2.9 % strongly agreed. Evaluation based on results of adherence to project procurement procedures was strongly disagreed by 66.7%, 30.4% of the respondents disagreed, and 2.9% agreed.

These findings were in line with Irene (2014) that if procurement practices are employed effectively, then it is expected to improve firm-customer relationship. Also in agreement with Metrine (2012) where he found out that lack of transparency in the tendering process interferes to procurement process.

Award of tenders on customer satisfaction:

Table 4.3: Award of tenders on customer satisfaction

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean scores
The award of tenders is done in a fair and transparent manner.	Fq (%) 0	Fq (%) 0	Fq (%) 0	Fq (%) 18(26.1)	Fq (%) 51(73.9)	1.26
Award of tenders is given to the lowest evaluated bidder.	0	0	0	19(27.5)	50(72.5)	1.28
The 1/3 rule in award of tenders is adhered to accommodate women youths and vulnerable groups.	0	0	0	21(30.4)	48(69.6)	1.30
The contractors are notified on the						

outcome of the awards, reasons why any tenders were rejected, scores awarded.	0	0	0	17(24.6)	52(75.4)	1.25
It is obvious that if the firm offers a low price, it will increase the probability of being selected.	0	0	1(1.4)	11(15.9)	57(82.6)	1.20
Overall Mean						1.26

The third objective sought to determine the how awards of tenders impact on the level of customer satisfaction. The respondents were given a set of statements relating to how awards of tenders impact on the level of customer satisfaction and asked to rate them on a scale of 1 to 5, where 1= strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

Findings as presented in Table 4.3 show the mean response on how awards of tenders impact on the level of customer satisfaction. The respondents were asked to state the extent to which they agreed with given statements on how awards of tenders impact on the level of customer satisfaction on a five point likert scale chart used for data collection where a mean of 1.0 – 1.9 is a strongly disagree, 2.0 – 2.9 is disagree, 3.0 – 3.9 is neutral, 4.0 – 4.9 is agree and a mean value above 4.9 is strongly agree. The items means scores were 1.26, 1.28, 1.30, 1.25 and 1.20. The average of the means scores is 1.26 which is below 1.9 signifying that the respondents strongly disagreed with statements regarding how awards of tenders impact on the level of customer satisfaction. This implies that the respondents confirmed that awards of tender's impacts on the level of customer satisfaction is key in public project procurement procedures.

Evaluation based on the evaluation criteria is clearly stated to the bidders had the highest mean of 1.84 whereas evaluation based on public entities adhere to the set public project procurement procedures had the lowest mean of 0.602.

Based on the frequency results, evaluation based on the award of tenders is done in a fair and transparent manner was strongly disagreed by 73.9% of the respondents, and 26.1% of the respondents disagreed. Evaluation based on award of tenders is given to the lowest evaluated bidder was strongly disagreed by 72.5% of the respondents and 27.5% of the respondents disagreed. Evaluation based the 1/3 rule in the award of tenders was strongly disagreed by 69.6% of the respondents and 30.4% of the respondents who disagreed. Evaluation based on feedback given to contractors was strongly disagreed by 75.4% of the respondents and 24.6% of the respondents disagreed. Evaluation based the award of the tender to the firm that offers a low price was strongly disagreed by 82.6% of the respondents, 15.9% of the respondents disagreed and 1.4% of the respondents were neutral.

The findings were in agreement Masu (2011) where he found out that the procuring entity must notify the successful and the unsuccessful tenderers of the results at the same time. Furthermore it concurred with Walter (2015) where he found out that procurement process should be effective and efficient.

Customer satisfaction:

Table 4.4: Customer satisfaction

Statement	Very satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied	Mean scores
	Fq (%)	Fq (%)	Fq (%)	Fq (%)	Fq (%)	
Are you satisfied with the quality of services offered by the county supply chain management sector	1 (1.4)	1 (1.4)	2 (2.9)	34 (49.3)	31 (44.9)	1.65
With respect to the use of public funds on project procurement what is the level of satisfaction	1 (1.4)	1 (1.4)	2 (2.9)	28 (40.6)	37 (53.6)	1.57
Overall Mean						1.61

The study aimed at finding the influence of public project procurement procedures on customer satisfaction. The respondents were given a set of statements relating to their level of satisfaction and asked to rate them on a scale of 1 to 5, where 1= very dissatisfied, 2 = dissatisfied, 3 = neutral, 4 = satisfied, 5 = very satisfied.

Findings as presented in Table 4.4 show the mean response on the level of customer satisfaction. The respondents were asked to state the level of satisfaction on a five point likert scale chart used for data collection where a mean of 1.0 – 1.9 is very dissatisfied, 2.0 – 2.9 is dissatisfied, 3.0 – 3.9 is neutral, 4.0 – 4.9 is satisfied and a mean value above 4.9 is very satisfied. The items means scores were 1.65 and 1.57. The average of the means scores is 1.61 is below 1.9 signifying that the respondents were very dissatisfied with regards to quality of services and use of public fund in project procurement.

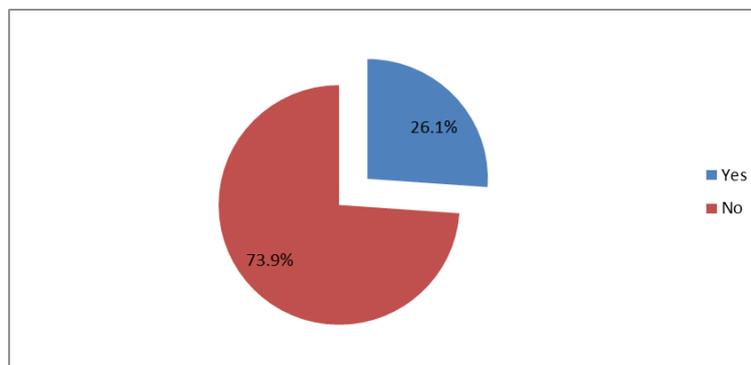


Figure 4.6: Best value for money

The respondents were asked whether they get the best value for the money allocated for the projects in the county and a majority of the respondents 73.9% said no and only 26.1% said yes. This is an indication that there is no good use of the public funds set aside for the public projects.

Testing the Conceptual Model:

To test this model multiple regression was run with customer satisfaction as the dependent variable and documentation, evaluation criteria and award of tenders as the independent variables. The resulting model is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where:

Y=Customer satisfaction (Dependent variable)

X₁= Documentation (Independent variable)

X₂= Evaluation criteria (Independent variable)

X₃ = Award of tenders (Independent variable)

β₀=Constant of Regression,

β_i=Regression coefficients, i=1,2,3

ε = Error of Regression

According to the results in Table 4.5, documentation, evaluation criteria and award of tenders accounts for 54.7% (R Square, 0.547) of the variation in customer satisfaction and the remaining 45.3% of the variation in customer satisfaction could be accounted for by other factors not involved in the study.

Table 4.5: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.740 ^a	.547	.440	.567

Predictors: (constant) Documentation, Evaluation criteria, Award of tenders

ANOVA test was also conducted to determine whether the model worked in explaining the relationship among variables as postulated in the conceptual model. The results in Table

4.7 showed an F value of 5.106 with a significance level of 0.000 which is lower than the confidence level of 0.05, hence establishing a significant relationship among the variables under study. The implication is that each independent variable contributed significantly to changes in the dependent variable.

Table 4.6: ANOVA Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.304	13	1.639	5.106	.000 ^a
	Residual	17.652	55	0.321		
	Total	38.957	68			

a) Predictors: (constant)Documentation, Evaluation criteria, Award of tenders

b) Dependent Variable: Customer satisfaction

To determine how each independent variable affected the dependent variable, multiple regression analysis was run and the results are as presented in Table 4.7. The multiple regression analysis results indicated that an increase in documentation, evaluation criteria and award of tenders by one unit increased satisfaction by 0.221, 0.055 and 0.429 units respectively.

Table 4.7: Regression analysis results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.667	.277		2.411	.019
	Documentation	.221	.063	.395	3.518	.001
	Evaluation criteria	.055	.107	.065	.512	.610
	Award of tenders	.429	.214	.251	2.010	.049

a. Dependent Variable: Satisfaction with the use of public funds on project procurement

The regression model was summarized as;

$$Y = 0.667 + 0.221 X_1 + 0.055 X_2 + 0.429 X_3 + \varepsilon$$

$$Y = 0.667 + 0.221 * \text{Documentation} + 0.055 * \text{Evaluation criteria} + 0.429 * \text{Award of tenders} + \varepsilon$$

Where;

Y= Customer satisfaction

X₁= Documentation

X₂= Evaluation criteria

X₃= Award of tenders

It was clear from the results that award of tenders was the highest contributor because an increase in award of tenders by one unit leads to an increase of satisfaction by 0.429 units. The lowest contributor is evaluation criteria whereby an increase in evaluation criteria by one unit leads to an increase of satisfaction by 0.055 units.

Table 4.8: Extent of influence on customer satisfaction

Statement	Greatly	Moderately	Little	Not at all	Unsure	Mean scores
	Fq (%)					
Quality of services	40 (58.0)	11 (15.9)	4 (5.8)	14 (20.3)	0	4.12
Best value for money	37 (53.6)	10 (14.5)	5 (7.2)	10 (14.5)	7(10.1)	3.87
Cost efficient use of public funds	41 (59.4)	10 (14.5)	2 (2.9)	3 (4.3)	13 (18.8)	3.91
Overall Mean						3.97

The respondents were asked to indicate the extent to which the listed factors influence customer satisfaction. Evaluation on the quality of services 58.0% of the respondents indicated greatly, 15.9% of the respondents indicated moderately, 5.8% indicated little, and 20.3% indicated not at all. Evaluation on the best value for money 53.6% of the respondents indicated greatly, 14.5% indicated moderately, 7.2% indicated little extent, 14.5% indicated not at all, and 10.1% indicated unsure. Evaluation on the cost efficient use of public funds 59.4% of the respondents indicated greatly, 14.5% indicated moderately, 2.9% indicated little extent, 4.3% indicated not at all, and 18.8% indicated unsure. The mean scores were 4.12, 3.87 and 3.91; the three mean score were above 3 indicating that most of the respondents stated that the three factors influence customer satisfaction to a great extent.

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The aim of the study was to find out the influence of public project procurement procedures on customer satisfaction..

From the study the following are the general information; responds rate of 71.88% this response rate was satisfactory to make conclusions for the study as Cooper and Schindler (2003), states that a response rate of between 30 and 80% of the total sample size can be used to represent the opinion of the entire population under study, educational level of the respondents for degree and above represent 70%, this indicated that the respondents are of higher academic levels hence understand the questions asked with regards to the problem under study.

Role of documentation on customer satisfaction:

The first objective sought to evaluate the role of documentation for the conditions of evaluation on customer satisfaction. The results showed that the county use of a standard document was strongly disagreed as stated by 50.7% and disagreed by 18.8% of the respondents. Regarding county link to the tender portal acting as a database for tender, 49.3% of the respondents strongly disagreed and 24.6% of the respondents disagreed, implying that the tender portal is not clear to a majority of the respondents. Finally on the accessibility of the tender documents at the county 42% of the respondents strongly disagreed and 44.9% disagreed, implying that the tender documents are not easily accessible to the contractors.

Therefore the results of this study on the documentation for the conditions of evaluation showed that the county supply chain management does not use a standard tender document, the county does not use the county tender portal and the tender documents are nor easily accessible at the county level.

Impact of evaluation criteria on customer satisfaction:

The second objective sought to assess the impact of evaluation criteria on customer satisfaction. According to the results, public entities do not adhere to the set public project procurement procedures as pointed out by 96% of the respondents. Also from the study 84% of the respondents also indicated that the evaluation criterion is not clearly stated to the bidders, 87% of the respondents also indicated that there is no good customer relationship in adherence to the set public project procurement procedures since there is no confidentiality with the contractors' information. Further, 93% of the respondents disagreed with the statement that the procurement procedures are effective and efficient due to lack of transparency in the entire evaluation process.

The results also indicated that project procurement procedures need to be adhered to so as to allow for proper delivery of goods and services hence customer satisfaction as noted by 97% of the respondents.

Effect of award of tenders on customer satisfaction:

The third objective sought to establish the effect of the tender awards on customer satisfaction. According to the results, the award of tenders was not done in a fair and transparent manner as noted by 100% of the respondents. The respondents (100%) also indicated that the award of tenders is not given to the lowest evaluated bidder. It also emerged from 100% of respondents that the 1/3 gender rule was not adhered to in the award of tenders. Also 100% of the respondents indicated that the contractors are not notified on the outcome of the awards. Finally 99% of the respondents indicated that it is not obvious that the firm that offers the lowest price will be selected in the award of tenders.

According to the results of this study, documentation, evaluation criteria and award of tenders influence accounts for 55% (R Square, 0.547) of the variation in customer satisfaction and the remaining 45% of the variation in customer satisfaction could be accounted for by other factors not involved in the study.

ANOVA test was also conducted to determine whether the model works in explaining the relationship among variables as postulated in the conceptual model. The results showed an increase in an F value of 5.106 with a significance level of 0.000 which was far lower than the confidence level of 0.05, hence establishing a significant relationship. The implication is that each independent variable contributed significantly to changes in the dependent variable.

The multiple regression analysis results indicated an increase in documentation, evaluation criteria and award of tenders by one unit would increase satisfaction by 0.221, 0.055 and 0.429 units respectively. It was clear from the results that award of tenders was the highest contributor because an increase in award of tenders adherence by one unit leads to an increased customer satisfaction by 0.429 units.

Conclusions:

Based on the findings, the study concluded that there has been low customer satisfaction in Trans Nzoia County as a result of lack of adherence to the set public project procurement procedures. The contractors reported high levels of dissatisfaction with the process of implementation of the project procurement procedures. This dissatisfaction is attributed to documentation, evaluation criteria and award of tenders. Award of tenders was identified as one of the most important customer satisfaction procedure, also in relation to the outcome variables.

Based on the findings presented above, the study concludes that the county supply chain management sector does not adhere to the set public project procurement procedures. These majorly include tender specifications, standard tender document, cost of document, non-discrimination, transparency, conflict of interest, feedback to contractors and political interference.

Recommendations:

This study recommends that the county supply chain management sector should put more effort to ensure that the laid down project procurement procedures are adhered in the entire project procurement process. The sector should also get feedback from the public to ensure that the entire process is satisfactory and transparent hence ensuring customer satisfaction.

Secondly it was recommended that the county should use a standard tender document to all the contractors, the county tender portal be used for all tenders to allow for an equal opportunity to all contractors and finally the tender document should be made available at the county.

Thirdly it was recommended the public entities should adhere to the set public project procurement procedures, the evaluation criteria should be clearly stated to the bidders and the project procurement procedures should be made effective and efficient.

Further the award of tenders should be done in a fair and transparent manner, the lowest evaluated bidder should be awarded the tender if they meet other stated standards, 1/3 gender rule should be adhered to so as to accommodate women, youths and the vulnerable in the society and the contractors should be notified on the outcome of the awards.

Finally it was also recommended that the Government of Kenya put in place project procurement procedures that ensure that contractors get satisfied with the way projects procurement procedures are implemented accordingly. The Government should ensure that project procurement procedures are adhered to in the public sector to ensure open and fair procurement process.

Suggestions for Further Research:

This research was intended to evaluate the influence of public project procurement procedures on customer satisfaction; the data was collected from pre-qualified contractors. Hence, future research should focus on all the contractors who are legally approved to participate in public projects.

There is need for further studies to be undertaken covering other counties in Kenya to evaluate the influence of public project procurement procedures on customer satisfaction.

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