

**THE IMPACT OF PUBLIC PROCUREMENT AND DISPOSAL OF  
PUBLIC ASSETS ACT ON ORGANISATIONAL PRODUCTIVITY  
CASE STUDY: KENYA WILDLIFE SERVICES**

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**A RESEARCH SUBMITTED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENT FOR THE AWARD OF THE DECREE OF  
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### DEDICATION

I BASHIR DAGANE HAJI do hereby declare that the work presented in this research, is my own work and has never been presented before either in part or in whole to any institution or higher learning for any academic award.

Signature:  .....

Date: 19/03/2012 .....

### APPROVAL

This project report has been done under my supervision as a University supervisor and submitted to school of Business Management with my approval.

Supervisor

MR. BARASA OCHIENO HENRY

Signed: .....



Date: .....

09/3/2012

## DEDICATION

I dedicate this work to whole of my family specially my sponsors those who helped me conclusion of Bachelor Degree at Kampala International University, my father Dagane Falir, my beloved mother Fatuma Muhamud and my siblings. Thank you.

## ACKNOWLEDGEMENTS

Praises and more thanks to Allah who gave us the life up to this date we live, and enabled us to become sure of the completion of writing this report, and we hope that Allah will make us who obey and fulfill his orders.

“

The successful completion of this study is the result of the obvious corporation, encouragement and support of family, supervisor colleagues and all the case study fields that to whom I gratefully indebted.

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“

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

CIPS	Chartered Institute of Purchasing and Supplies
E.U	European Union
G.K	Government of Kenya
IPAR	Institute of Policy Analysis and Research
JIT	Just-In-Time
KANU	Kenya Africa National Union
KIPPRA	Kenya Institute of Public Policy and Analysis
KISM	Kenya Institute of Supplies Management
KIU	Kampala International University
KWS	Kenya Wildlife Services
PDE	Procuring & Disposing Entity
PPDA	Act-Public Procurement and Disposal of Public Assets Act
PPOA	Public Procurement Oversight Authority
USD	United States Dollar
VFM	Value for Money

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## ABSTRACT

This research study inspired by the concerns about Public Procurement in Kenya and Wildlife Services of Kenya in particular, examines the impact of public procurement and disposal regulations.

According to Aketch, 2005, Government world over are receiving a great deal of attention as providers of essential services, such as health, education, defense and infrastructures. To meet the demand, government purchase goods and services from the market place. The business operations of governments in the market place constitute what is referred to as Public Procurement. Public Procurement is the act of a public body or entity purchasing or procuring goods, work and/or services from the market place. Kenya's Public Procurement and Disposal Act of 2005 defines procurement as "acquisition by purchase, lease, hire purchase, license, tenancy, franchise, or by any other contractual means of any type of works, assets, services or goods including livestock or any other combination".

Public Procurement is an important part of any economy as it takes more than 50% of the budget. In Kenya, about 60% of government revenue is spent on procurement. Yet, until not too long ago, the subject of public procurement would have received little attention from policy makers because it was considered as administrative function too mundane to worry about (Witting, 1998).

Perhaps in order to understand the current state of procurement deficiencies and make necessary recommendation on a mitigation strategy, we need to look at recent history of Kenya. Within the last two decades the country witnessed renewed eruption of procurement corruption. As democratic winds swept the world after the fall of the Berlin wall, Kenya reluctantly agreed to multiparty democracy in 1992. But in order to perpetuate themselves in power, the ruling elite coalescing around the ruling party KANU not only devised the Goldenberg scandal but also reinvented procurement corruption in government departments and the armed forces in particular.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background**

Procurement is relatively a new function in terms of recognition but an old function in terms of practice. The changing nature and environment has led to a series of recognizable transactions as indicated organizations. Prior to Purchasing was regarded as primarily clerical. During the World War I (1914-1918) and World War II (1993-45) the function increased being recognized due to the importance of obtaining raw materials, supplies, and services needed to keep the factories and mines operating. During the 1950s and 80s; Purchasing continued to obtain status as the techniques for performing the function became more refined and as the number of trained professionals increased, the emphasis became more managerial. During the 1970s and 80s: more emphasis was placed on purchasing strategy as the ability to obtain needed items from suppliers at realistic prices and the 1990s, purchasing became more integrated into the overall corporate strategy.

In Kenya, Public Procurement and disposal principles and structures are established under the Public Procurement and Disposal of Public Assets Act, Laws of Kenya. (GOK, 2005)

From independence in 1963 until the early 1970s, Crown Agents, a British firm, largely undertook Public Procurement in Kenya partly because local supplies were inadequate and most of the government needs could only be obtained externally. Crown Agents was also used because there was no established supplies offices within its ministries and departments, and appointed supplies officers to take charge of procurement. The ministry of Finance (MOF) regulated public procurement through issuance of regulations and guidelines in the form of circulars to ministries and other public agencies from time to time. However, there remained no uniform Law governing public procurement in Kenya.

Anecdotal evidence, procurement experts and other sources indicate that Kenya's Public Procurement system has always had serious deficiencies, many of which related to poor governance. The system lacked sanctions against officers who breached the regulations.

It was thus vulnerable to abuse. Indeed, the Government Contracts Act provides that "public officers" cannot be sued personally upon any contracts which they make in capacity". The incentive for public officers to engage in corrupt procurement deals is thus quite strong. The government suspended five hundred supplies officers in 2003 accusing them of mismanagement of the system (Nzai and Chitere, 2006).

This indicated how serious corruption had crept into the system. The system had other problems too. Procurement policies and procedures were scattered in various government documents, it was difficult to comprehend existing financial regulations without the benefit of the treasury circulars which were subject to different interpretations, there were no standardized procedures, and there was no transparency in the system (Lewa, 2006; Waiganjo, 2006; Wanyande, 2006; Nzai and Chitere, 2006; Oanda, 2006).

To make matters worse, Kenyan law did not prohibited public officials from participating in private enterprise. Indeed, the civil service is by far the most important launching pad for businessmen in Kenya as it gives senior government officials and politicians access to public resources, such as lucrative public procurement contracts. The participation of public officials in private enterprise has thus been a key source of corruption in public procurement, since the rules established to guard against conflicts of interest have invariably been breached.

Moreover, dissatisfied bidders or the general public had no recourse for appeal against the procurement decisions of the various tender boards, there were many deficiencies including overspending which has been attributed to poor planning and alleged packaging of procurement contracts by accounting officers to favour certain suppliers, there lacked supervision and more monitoring of the project implementation was the order of the day.

It was also common practice to vary contracts upwards from the originally quoted prices, often with the connivance of senior government officers and powerful ministers. (Waiganjo, 2006; Wanyande, 2006; Nzai and Chitere, 2006; Oanda, 2006; Lewa, 2006).

## **1.2 The choice of KWS**

The researcher choose KWS for a number of reasons amongst which; it is one of the government institution (parastatal) directly funded through tax payers money; KWS is also undergoing corporate transformation under "Museum in change" program funded by E.U to a tune of USD 500 million in 8 years program from 2003 to 2010; Also being the sole custodian of Kenya's rich cultural heritage, they have presence every region in Kenya.

## **1.3 Statement of problem**

KWS is a government institution created through an Act of parliament. These are State Corporation Act and National Heritage Act Laws of Kenya.

Public institutions in Kenya are facing a number of problems as far as their performance is concerned. These public institutions can only maintain their existence if they have efficient and transparent procurement practices among others factors. KWS conducts sound procurement practices which are geared towards improving their performance and this is expected to translate into organization performance. However unclear as to whether it is being achieved in a desired manner.

This made the researcher to develop the idea to conduct this study to investigate on the relationship between "Public Procurement and Disposal of Public Assets Act and organization performance.

## **1.4 Purpose of the study**

The purpose of the study is to assess the impact of Public Procurement and Disposal of Public assets act on productivity of National Museums of Kenya.

## **1.5 Research objectives**

### **The specific objectives**

- a) To identify how Public Procurement and Disposal of Public Assets Act is applied at KWS.
- b) To identify the roles/benefits of Public Procurement and Disposal of Public Assets Act at KWS.
- c) To find out the problems of carrying out Public Procurement and Disposal of Public Assets Act at KWS.

## **1.6 Research questions**

- 1. How is Public Procurement and Disposal of Public Assets Act applied at KWS
- 2. What are the roles/benefits of Public Procurement and Disposal of Public Assets Act at KWS

## **1.7 Significance of the Study**

The study intends to benefit different organizations to knowing how to use sound procurement practices in a bid to obtain value for money.

The study would encourage new and mature organizations that have over years neglected good procurement practices for effective and efficient performance.

The academic generation would also benefit from the study, in terms of literature review in matters of public procurement in the future.

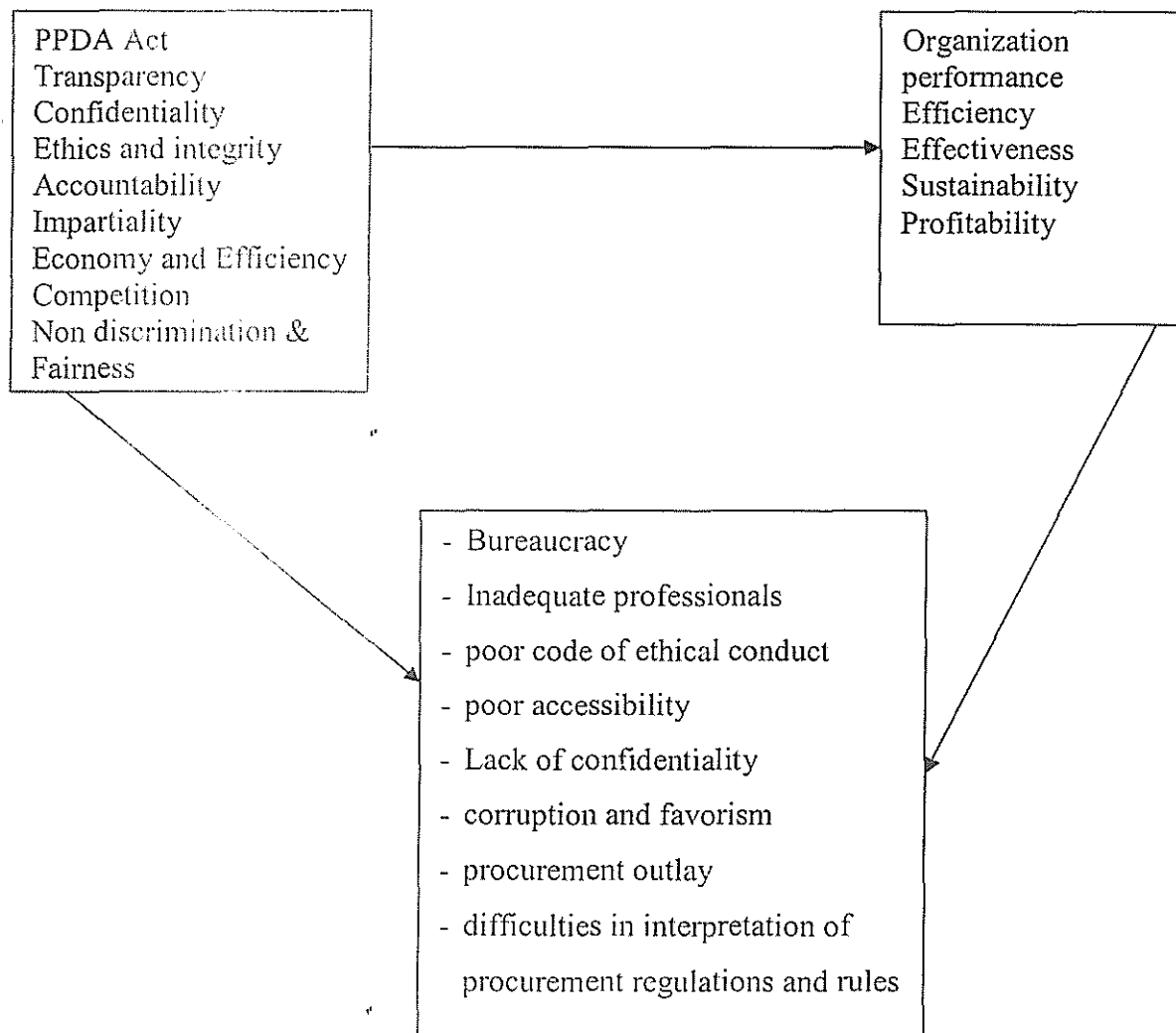
## **1.8 Conceptual framework**

Conceptual framework is the link between independent and dependent variables in research project.



By practicing public procurement and disposal regulations, organizations can obtain value for money through transparency, confidentiality, ethics and integrity, accountability, impartiality, economy and efficiency, competition discrimination and fairness. on the other hand, these regulations came with obstacles such as; inadequate professional, poor code of ethical conduct, poor accessibility, procurement outlay, difficulties in interpretation of procurement regulations and rules and it's susceptible to corruption and favoritism.

**Table 1: Conceptual Framework**



Source: Research 2009

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.1 Introduction**

In this chapter the researcher extracted the necessary literature in line with public procurement and disposal of Public Assets act and organization performance.

#### **2.2 PPDA Act and performance**

According to Kenya Gazette Supplement No. 77 (Act No.3) defines Public Procurement as acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or by any other contractual means of any type of works, assets, services or goods including livestock or any other combination by public entity. Public Procurement represents an important part of government expenditures. Given the weight of public procurement in a national economy, it is clear that sound procurement practices are essential ingredients of good governance.

Good procurement practices promotes three key principles; transparency, economy and efficiency. By complying with these principles leads to organizational performance.

Alastair Shaw defines performance as the process whereby an organization ensures that it is pursuing strategies and actions which will enable it to achieve its goals.

#### **2.3 Public Procurement Oversight Authority (PPOA)**

PPOA is corporate body established under section 8(1) of public procurement and Disposal of Public Access Act Laws of Kenya.

On June 20<sup>th</sup>, 2008 will go down in the annals of Kenya's history as the day; government made clear its intentions to fight corruption from the "roots" – public procurement. The highly visible function was attended by Kenya's topnotch personalities, including the Former Finance Minister Hon. Amos Kimunya, head of the civil service

Amb. Francis Muthaura and Treasury permanent secretary, Mr. Joseph Kinyua. It saw the launch of a parastatal, the public procurement Oversight Authority (PPOA), established under the Public Procurement and Disposal Act and Regulations.

The launch was also a culmination of hard work that started in 2005 when parliament enacted the Act, which was then enforced on 1<sup>st</sup> January 2007, thus the official establishment of PPOA. Outlining the history of the authority to the packed and attentive audience that also included development partners, the United States Agency for International Development, the outgoing Interim Director-General, Mr. Robert Hunja said PPOA began its operations in January 2007, "before they had their own independent budget, and PPOA began its operations in January 2007, the Ministry of Finance, where they were a Department," he said PPOA now has the onerous task of helping streamline the public procurement sector in a move development partners and ordinary citizens expect will result in arresting wasteful spending and corruption witnessed in the Government tendering processes.

When the National Rainbow Coalition (NARC) Government took the reins of the country's administration in 2003, Treasury moved quickly to save the government from losing over Kshs 100. Billion in unpaid claims (pending bills) by "briefcase contractors" for what was later discovered by Treasury to be fictitious claims". We discovered that out of Kshs. 110. Billion claimed by these contractors as pending bills, only Kshs 1 billion was payable." PS Kinyua on record saying. It is in light of such excessive misuse of scarce public resources by public servants, that Kenyans welcomed the new Authority with the hope that with a modern system of public procurement, there will be fairness and competition among suppliers of goods and services to the government. Ms. Mariam El Maawy, the PPOA Advisory Board chairperson was spot-on, when she said tax-payers were increasingly restive to the significant losses that were inevitably arising from an unregulated and poorly monitored public procurement process whose hallmark was wastage, patronage, and corruption resulting in sub-standard goods and services.

The Act was operationalised on 1<sup>st</sup> January, 2007 through the promulgation of the Public procurement and Disposal Regulations, 2006. The Act has addressed issues on

corruption, mis-procurements, proliferation of contract variations, among others. The Act is envisaged to achieve the following positive outcomes:

Foster economy and efficiency in public procurement

Promote and ensure competition and fairness among competitors

Promote integrity and professionalism in the public procurement fraternity

Ensure that procuring entities are consistent with the budgetary objectives and procurement expenditure is kept within set budgetary ceiling.

Promote transparency and accountability in public procurement. (PPOA journal)

The government of Kenya with assistance from donors appointed ARD, Inc., one of America's leading consultancies in promoting the essential conditions for successful economic development, has been contracted to support the public procurement oversight authority (PPOA) in reforming the public procurement process in Kenya. ARD is a wholly owned subsidiary of Tetra Tech, a leading provider of consulting, engineering, and technical services worldwide. With the support of its partner, Crown Agents, ARI) has embarked on extensive program of workshops designed to help staff who are performing procurement-related functions within central and local government agencies to acquire a better understanding of the law and good procurement practices from an international perspective. ARD is strengthening the PPOA by providing PPOA staff on their enforcement, oversight and other responsibilities and helping the Authority to establish linkages with public procurement regulators in other countries.

To strengthen compliance with the law, ARD is supporting PPOA in auditing and reviewing the manual to standardize practices in carrying out these reviews. Records management practices in key entities are also being reviewed to identify common areas of weakness and a manual on good practice will be prepared and promulgated through a training program. Measures have been recommended to promote the use of framework contracts within the government of Kenya. Framework contracts are indefinite quantity agreements to supply goods or services at a tendered price over a term of one or more years. (PPOA Journal).

According to section 8(1) of PPDA Act, the following are the functions of PPOA.

- a) To ensure that the procurement procedures established under the Act are complied with;
- b) To monitor the public procurement system and report on the overall functioning of it in accordance with section 20(3)b), which states that “a report on the overall functioning of recommendations for improvements as the Director-General considers advisable;
- c) To assist in the implementation and operation of the public procurement system and in doing so-
  - To prepare and distribute manuals and standard documents to be used in connection with procurement by public entity;
  - To provide advice and assistance to procuring entities;
  - To develop, promote and support the training and professional development of persons involved in procurement; and
  - To issue written directions to public entities with respect to procurement including the conduct of procurement proceedings and the dissemination of information on procurements; and
  - To ensure procuring entities engage procurement professionals in their units.
- d) To initiate public procurement policy and propose amendments to this Act or to the regulations. ([www.ppoa.co.ke](http://www.ppoa.co.ke)).

## **2.4 Basic Procurement and disposal principles**

According to public procurement and disposal regulations 2006, the following are the basic procurement and disposal principles;

#### **2.4.1 Competition and Open Competition Bidding**

Effective competition shall be evidenced by the use of open bidding, restricted bidding, or quotations and proposals. Procurement methods described in these regulations, open bidding should be used as a preferred method of procurement. This is provided in Section 39(1-8) of PPDA Act which states that;-

- 1) Candidates shall participate in procurement proceedings without discrimination except where participation is limited in accordance with this Act and the regulations.
- 2) Subject to subsection (8), the Minister shall, in consideration of economic and social development factors, prescribed preferences and or reservations in public procurement and disposal.
- 3) The preferences and reservations referred to in Subsection (2) shall-
  - a) Be non-discriminatory in respect of the targeted groups;
  - b) Allow competition amongst the eligible;
  - c) Be monitored and evaluated.
- 4) The preferences and reservations shall apply to
  - a) Candidates such as disadvantaged groups, micro, small and medium enterprises;
  - b) Works, services and goods, or any combination thereof;
  - c) Identifies regions; and
  - d) Such other categories as may be prescribed,
- 5) A procuring entity shall, when processing procurement, comply with the provisions of this Act and regulations in respect of preferences and reservations.

- 6) To qualify for a specific preferences or reservations, a candidate shall provide evidence of eligibility.
- 7) The authority shall maintain up-to-date register of contractors in works, goods and services, or any combination thereof, in order to be cognizant at all times of the workload and performance record.
- 8) In applying the preferences and reservations under this section-
  - a) Exclusive preference shall be given to citizens of Kenya where
    - i) The funding is "100% from the Government of Kenya or a Kenya body; and
    - ii) A prescribed margin of preference may be given
  - b) A prescribed margin of preference may be given
    - i) In the evaluation of bids to candidates offering goods manufactured, mined, extracted and grown in Kenya; or
    - ii) Works, goods and services where a preference may be applied depending on the percentage of shareholding of the locals on a graduating scale as prescribed.

#### **2.4.2 Economy and Efficiency**

This shall be promoted through consistent application and obtaining value for money. All procurement shall be conducted to deliver best value for money irrespective of the method used, the procuring and disposing entity or the nature of works and services or supplies to be procured.

Value for money shall be the optimal combination of whole life costs and the appropriate to meet the requirements of the procuring and disposing entity (PDE). This is provided under section 20(1-4) states that;

1. For the purpose of ensuring that its decisions are made in a systematic and structural way, a public entity shall establish procedures to provide for the making of decisions, on behalf of the public entity, relating to procurement.



2. The procedures required under subsection (1) shall be consistent with this Act and the regulation.
3. All procurement shall be-
  - a) Within the approved budget of the procuring entity and shall be planned by the procuring entity concerned through an annual procurement plan;
  - b) Undertaken by a procuring entity as per the threshold matrix as set out in the regulations;
  - c) Handled by different offices in respect of procurement initiation, processing and receipt of goods, works and services.
- 4) A public entity shall establish a tender committee, procurement unit and such other bodies as are required under the regulations for the purpose of making such decisions on behalf of the public entity as are specified in this Act and the regulations.

#### **2.4.3 Ethics**

Ethics refers to norms and morals expected of public civil servants and providers. PDE shall ensure that the code of ethical conduct in Business is enforced in the procurement and disposal process.

The conduct of staff and any official engaged in procurement and disposal shall not create the impression that there is any conflict between their official duties and their private interests.

A procurement officer who is involved in procurement or disposal, a bidder or provider shall observe the relevant codes of ethics.

- In the Act and Regulations
- In the guidelines issued by PPOA and
- Issued by a professional body or association of which the officer, bidder or provider is a member.

Ethical issues are provided under section 43(1-6) which states that;

- 1) An employee or agent of the procuring entity or a member of a board or committee of the procuring entity who has a conflict of interest with respect to a procurement.

- a) Shall not take part in the procurement proceedings; and
- b) Shall not, after a procurement contract has been entered into, take part in any decisions relating to the procurement or contract
- 2) An employee, agent or member described in subsection (1) who refrains from doing anything prohibited under that subsection that, but for that subsection, would have been within his duties shall disclose the conflict of interest to the procuring entity.
- 3) If a person contravenes subsection (1) with respect to a conflict of interest described in subsection (5)(a) and the contract is awarded to the person or his relative or to another person in whom one of them had a direct or indirect pecuniary interest, the contract shall be voidable at the option of the procuring entity.
- 4) The voiding of a contract by the procuring entity under subsection (3) does not limit any other legal remedy the procuring entity may have.
- 5) For the purpose of this section, a person has a conflict of interest with respect to a procurement if the person or a relative of the person.
  - a) Seeks, or has a "direct or indirect pecuniary interest in another person who seeks, a contract for the procurement; or
  - b) Owns or has a right in any property or has a direct or indirect pecuniary interest that results in the private interest of the person conflicting with his duties with respect to the procurement.
- 6) In this section, "relative" means-
  - a) A spouse, child, parent, brother or sister
  - b) A child, parent, brother or sister of a spouse, or
  - c) Any other prescribed relative

#### 2.4.4 Public Accessibility

PDE should give access to information related to business opportunities and bidding process to bidders free of charge and where there is need to charge a fee say for bidding documents the costs should be recovery fee (printing, photocopying and binding costs).

These include;

- Bid opportunities
- Specification and terms of reference
- Evaluation criteria
- Award decisions
- Pre-qualification lists
- Providers lists

PDE should also avail copies of the PPDA Act, Regulations, Guidelines, Standard bidding documents and relevant decisions made by PPOA. This is provided under section 45(3-4) which states that;

3) After a contract has been awarded or the procurement proceedings have been terminated, the procuring entity shall, on request, make the records for the procurement available to a person who submitted a tender, proposal or quotation or if direct procurement was used, a person with whom the procuring entity was negotiating.

4) The procuring entity may charge a fee for making the records available but the fee shall not exceed the costs of making the records available.

## **2.5 Objectives of public procurement**

According to Khi V. Thai, 2004, the following are the objectives of public procurement;

### **2.5.1 Fairness**

This means keeping the rules stipulated or referred to in solicitation documents, reasonable evaluation, and equitable conduct of clarification and absence of unjust pressure. Bidders whether local or international should be treated fairly and in nondiscriminatory manner, including protection of commercial confidentiality.

Procuring and Disposing Unit of the procuring entity should not exclude any bidder from participating in any public procurement on the basis of; nationality, race, religion, gender, location and so on. Exception is where it is legally done as in the case of preference

schemes for national interest or reservation schemes for the development of specific target groups or communities.

### **2.5.2 Transparency**

This means a well established procurement procedure with unambiguous rules, clear collection of responsibilities, and pre-determined degree enabling others to follow some predictable action of the procuring entity. Procuring entity should ensure that procurement activities and transactions are carried out openly, to enable public scrutiny.

#### **Traceability**

..This means detailed and consistent documentation of all events of the whole procurement procedure partly to ease the compilation of the evaluation report in the end and partly to facilitate audit trials in the case of any investigation. Procurement and Disposal unit of the procuring entity should ensure that all records and proceedings of procurement activities are kept safely for future reference.

### **2.5.3 Accountability**

This means that procuring entity's liability for its staff's actions either towards its own owner for example in case of public procurement or private sector procurement. All persons involved in the Procurement and Disposal process must account for their decisions and actions taken in the course of their duties. The major reason being that procuring entities are using public money and must justify to the public the cause for their actions. These include;

A mechanism for auditing the process that is enforced through Public Complaints;

Systems;

A written description of something that has happened. The procurement and Disposal Unit regularly giving reports or statement for the role or responsibility that has been entrusted to it;

The reasons or basis for making a decision or doing something must be made public; recommendations of the Evaluation Committee and Contracts Committee recommendations among others.

Adherence to the principle of information sharing among all interested parties in the procurement process.

## **2.6 Challenges impending the implementation of PPDA Act**

According to Khi v. Thai and Armando Arario et al, 2005, the following are the challenges in public procurement that make it impossible for public procurement principles from creating value for money;

Poor accessibility

Lack of confidentiality

Discrimination and lack of fairness

Poor code of ethical conduct in business

Lack of economy and efficiency

Poor public accessibility of information related to business opportunities

Corruption and wasting

Internal challenges such as;

Inadequate professionalism or quality of workforce

Staffing levels and budget resources

Bureaucracy

Difficulty interpretation of procurement regulations and rules

Rapid technological development

Procurement outlay

## 2.7 Approaches to performance evaluations

Lysons and Farrington define purchasing performance evaluation as the qualitative or quantitative assessment over a given time towards the achievement of corporate or operational goals and objectives relating to purchasing economies, efficiency and effectiveness. These approaches can be grouped into five main categories.

### 2.7.1 Accounting Approaches

- The profit centre approach

In this approach, the purchasing function or activity is regarded as the part of the company that controls assets and is responsible not only for expenditure but also income. The main of this approach is to demonstrate that the purchasing function is a profit rather than a cost centre. The profit centre approach involves establishing a centralized purchasing organization that controls assets. This approach is theoretical rather than practical. its advocated on the grounds that; it provides a measure of the efficiency of supplies function. allows supplier managers to control their budgets and spend to save money and enhances the status of the supplies function by providing measurable objectives.

- Activity based costing (ABC)

ABC is a cost attribution to cost units on the basis of benefit received from indirect activities, for example; ordering, setting up, and assuring quality. it contributes to performance measures in the following ways;

- a) Distinguishing between value-adding activities, it stresses that the non-value adding activities must be reduced or eliminated and replaced with those that add value like JIT.
- b) Analysis of cost drivers, a cost driver is an activity that creates a cost.

- Standard Costing and Budgetary Control

Standard Costing can be defined as a control technique which compares costs and revenues with actual results to obtain variables which are used to stimulate improved performance while budgetary control assists performance by; defining the results to be achieved by functions and their staff for their purpose of realizing overall objectives.

- Economic value added (EVA)

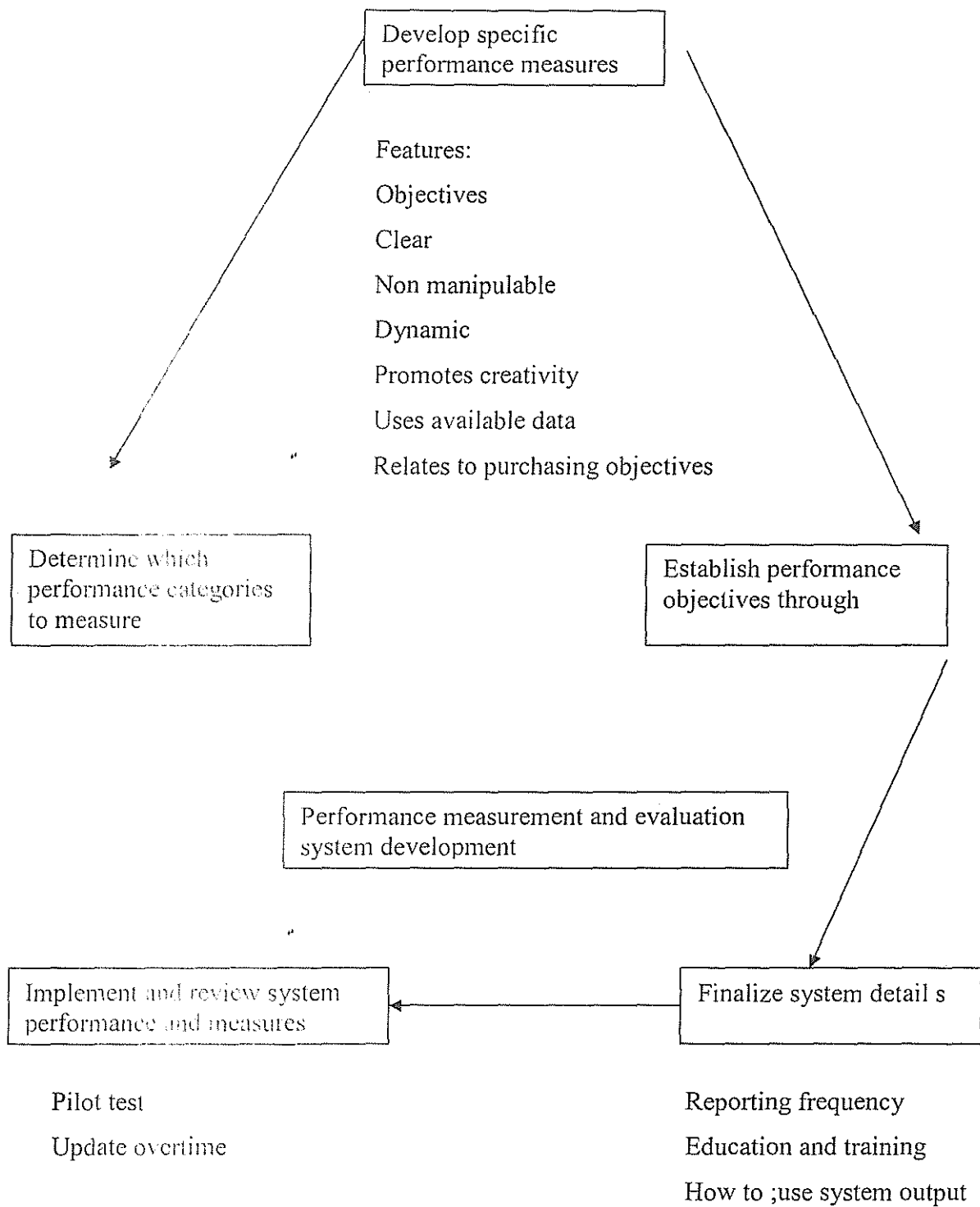
It is a value-based functional performance measure. The basic process for calculating EVA is to calculate the net operating profit after tax, identify the organization's capital, determine a reasonable capital cost rate and to calculate the organization's economic value added.

### **2.7.2 The Purchasing Management Audit Approach**

The term purchasing management audit has been defined by Sheuing as a comprehensive, systematic, independent and periodic examination of the company's purchasing environment, objectives and tactics to identify problems and opportunities and facilitates the development of appropriate action plans. The purpose of these audit according to Evans and Dale are to police the extent to which the purchasing policies laid down by senior management are adhered to, to ensure that the organization is using techniques, procedures and methods that conform to best working practices, to monitor and measure the extent to that resources are used effectively and to assist in the prevention and detection of fraud and malpractice.

### **2.7.3 Management by Objectives (MBO)**

The aim of MBO is to identify the objectives that a manager or function should be expected to achieve within a given time, at the end of which the actual performance will be compared with the desired results. The objectives will also be compared with the desired results.





## **2.8 Difficulties in measuring purchasing performance**

.According to Van Weele, there are four problems that seriously limit an objective and accurate assessment of purchasing function;

a) *Lack of definition* concepts such as purchasing performance, efficiency and effectiveness are often not clearly defined or are used interchangeably.

### ***b) Lack of formal objectives and performance standards***

The problem, as we see it, however, is not the lack of standards – which receive considerable attention in textbooks and academic articles – but that many purchasing practitioners are either unaware of such standards or unwilling to apply them.

### ***c) Problems of Accurate Measurement***

Purchasing is not an isolated function; purchasing performance is the result of many activities which, due to their intangible character, are difficult to evaluate. In general, direct input-output relationships are difficult to identify; this seriously limits the possibility of measuring and evaluating purchasing activities in accurate and comprehensive way.

## **2.9 Reasons for measuring performance.**

A number of reasons exist for measuring and evaluating purchase activity and performance.

### **2.9.1 Support Better Decision Making**

Measurement can lead to better decisions by making performance and results visible. It is difficult to develop performance improvement plan without understanding the areas in which performance falls short. Measurements provide a track record of purchasing performance overtime and directly supports decision-making activity by management.

### **2.9.3 Support Better Communication**

Performance measurement can result in better communication across the organization, including procurement, user departments and executive management. For example, a purchaser must communicate clearly performance expectations to suppliers.

### **2.9.1 Provide Performance Feedback**

Measurement provides the opportunity for performance feedback, which supports the prevention or correction of problems identified during the performance Measurement Process. Feedback also provides insight into how well a department, team or supplier is meeting its performance objectives overtime.

### **2.9.2 Motivate and Direct Behavior**

Measurement motivates and directs behavior toward desired end results. A measurement system can accomplish this in several ways. First, the selection of performance categories and objectives indicates to purchasing personnel those activities that an organization considers critical. Second, Management can motivate and influence behavior by linking the attainment of performance objectives to organization rewards, such as pay increases.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

Bailey defines research methodology as the philosophy of the research process, which includes the assumption and values that serves as rationale for research and the standard or criteria the researcher use for interpreting data and reaching conclusion.

The research methodology mainly looked into details to the research design – procedure and techniques and research instruments that were used during the study. The research also briefly transverse through the units that made up the sample size, areas of the study, as well as their characteristics, study population, sample and sampling techniques. the research also showed how gathered data was presented; it provided the techniques and procedures that were adopted for data analysis and limitations that in one way or another affected the study.

#### **3.2 Research design**

In the research, the study involved the techniques that were employed in the process of data collection. In the process, the researcher used a number of methods to gather the data among the: questionnaires, revising the existing documents and interviews. The major source of primary data compilation was questionnaires.

The researcher also involved a number of people in the research by interviewing them in form of discussions; these include officers from procurement department. The researcher visited KWS headquarters and distributed questionnaires to the four directories namely; Directorate of Human Resource and administration, Directorate of Research and collection, Directorate of Development and Corporate affairs.

### **3.3 Sample size and study population**

The researcher reached a substantial number of 30 respondents from KWS who were drawn from different groups of the study population. This sample was deemed to be suitable and ideal for this study given the size of KWS staff population of about 1200 people spread across the country which is relatively difficult to reach as the study was exclusively carried out at KWS country which is relatively difficult headquarters. it was indeed consistent with the limited resources.

### **3.4 Sample selection**

The researcher used purposive sampling techniques to choose respondents who were able to give potentially reliable and accurate information that is useful in the research. This shall cover the management structure as follows;

- **Top Management Level**

These are people who formulate policies and long range decisions of the institution. They establish strategic objectives of the organization and include; Board of Directors, Chief Executive Officer, and Divisional Directors among others.

- **Middle Management Level**

They implement long term decisions made by top management short term achievable objectives; they handle staffing and budgetary making functions and include Accountants, procurement officers, Auditors, Engineers, Legal officers among others.

- **Operational Management Level**

They are people who handle day-to-day activities within the organization and include the workers, subordinate staff such as Account Clerk, Procurement Assistant, and Secretaries and so on.

### **3.5 Sampling techniques**

In order to get realistic and more suitable sample, and the researcher to acquire reliable information that could represent the entire population, this study adopted two sampling techniques namely; simple random and purposive sampling techniques.

#### **3.5.1 Simple Random Techniques**

This is a technique used by the researcher whereby each member of the population had an equal chance of being selected. The researcher decided to use this method in order to avoid biasness in the process of selecting the respondents from the group of possible respondents.

#### **3.5.2 Purposive Sampling Techniques**

This is a sampling technique that allowed the researcher to use cases that had the required information with respect to the objectives of the study, cases of the subjects were therefore hand picked because they were informative or they possessed the required characteristics.

### **3.6 Data collection methods**

In this study, the researcher used self administered questionnaires, personal interviews, observation and documentary review.

#### **3.6.1 Questionnaires**

Questionnaires assisted the research solicit quantitative and qualitative data. The questionnaires consisted of both open ended and closed ended questions. Open ended questions were incorporated in the study just to give the respondents freedom to respond to questionnaires depending on the way he or she treats the phenomenon being investigated; not limited to the researcher way of understanding the topic of interest.

As a strategy to avoid inconveniences and create support between the researcher and the respondents. The questionnaires were submitted in advance with the aim of giving them ample time, interest and freedom while filling them.

### **3.6.2 Interviews**

This method was used to collect data from the respondents through physical engagement of the researcher. The respondents were interviewed to establish impact of public procurement and disposal of public assets act on organization performance. Face to Face interviews was used to assist the researcher obtain data through and non-verbal communication like body language and posture.

### **3.6.3 Observation**

In the process of gathering facts, the researchers had physically visited KWS several times and observe what was going on within the organization. This helped the researcher to verify the facts collected using other methods and also capture some more information that could have been ignored. The researcher had to observe the activities of the procurement department. Finally, the findings had to be recorded. The data collected through observation was highly reliable because the researcher had to see what was exactly happening and what was being done on the ground.

### **3.6.4 Documentary Reviews**

This research involved the researcher going in the organization and reviews the existing documents about PPDA which had already been collected by other researcher and had already passed through the statistical process. At this state, the researcher visited PPOA, IPAR and KIPPRA libraries and obtained secondary data. The researcher also obtained data from the internet, journals such as procurement news, KISM Newsletter; CIPS supply management magazine, PPDA lecture notes by G.L Matovu. The data from literature review was used by the researcher to back up and validate the raw data

collected for developing a clear and precise background of the problem and justification of the need to conduct the study.

### **3.7 Techniques for data analysis**

The researcher used both computer programs such as Ms Word, Ms Excel as well as the technical methods to analyze data collected. In this case simple statistics with aid of hand calculator, frequency tables were used in the analysis. This type of data analysis helped in understanding the concept and drawing conclusions from the research findings.

### **3.8 Limitations of the study**

There are issues that in one or another influenced the research. These limitations are divided into two namely; financial and time limitations.

#### **3.8.1 Financial Constraints**

Financial constraints were one of the limitations that the researcher met and to some extent influenced his proper research process, in the course of conducting the research. This situation happened because the researcher is a privately sponsored individual with limited resources and limited opportunities to fund the process.

#### **3.8.2 Time Constraints**

Time constraints were also limitation the research encountered, and to a certain extent obstructed the smooth and efficient execution of the study. This is based on the fact that the researcher was conducting the research simultaneously with his studies and therefore it was hard to meet the expected time schedule. The researcher at various occasions was forced to rush in order to meet the research submission deadlines and other deadlines of academic programs.

### 3.9 Duration of the study

The study was conducted from

**Table 3: Calendar of work**

Activities	May	June	July	Aug	Sept	Oct	Nov.
Proposal writing							
Literature review							
Data collection							
Data analysis							
Compiling							
Submission of the first draft							
Submission of the final report							



## **CHAPTER FOUR**

### **PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA**

#### **4.1 Introduction**

This chapter discusses the analysis and presentation of findings to achieve the overall objectives of the research study.

#### **4.2 Methodology and Procedure for data collection**

This research employed a case study approach being most suitable to explore the impact of public procurement and Disposal and Public Assets Act and Organization Performance.

##### **4.2.1 Site and Subjects**

The location of the study was the region of Kenya (KWS) headquarters in Nairobi, Kenya, which performs all its procurement activities according to PPDA Act and Regulations since it is a parastatal.

##### **4.2.2 Instruments applied**

The study utilized questionnaires in order to acquire the respondents understanding and response to the impact of PPDA Act in organization performance. The questionnaire was administered to thirty (30) respondents and full responses were received since an additional nine (9) questionnaires were administered to cater for discrepancies.

##### **4.2.3 Measures applied**

The questionnaire consisting of seventeen (17) items were used to evaluate the respondents. The items were divided into two (2) main parts.

#### *Part one (1) – Respondent Background Information*

The items included in this section were to enable the researcher to determine where the respondents had the relevant information to the study based on their experience, position and department of work.

#### *Part two (2) – Impact of PPDA Act on organization performance*

The items included in this section were to help the researcher identify respondent's opinion on how PPDA Act has helped in the performance of the organization, factors that hinder the implementation of PPDA Act, the benefits of how to measure the organization's performance.

### **SECTION A.**

#### **4.3 Background Information of the respondents**

##### **4.3.1 Gender of the respondent**

**Table 4: Showing the gender of respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative frequency</b>
Male	24	80	80
Female	6	20	100
Total	30	100	

Source Primary Source 2009

The research shows that 80% of the respondents were male and 20% were female. This showed that there was no gender balance in the respondents; responses got from the study were of great value in the study of impact of Public Procurement and Disposal of Public Assets Act on organization performance at KWS.

### 4.3.2 Marital status of the respondents

**Table 5: Showing the marital status of respondents**

Marital Status	Frequency	Percentage	Cumulative frequency
Married	18	60	60
Single	12	40	100
Total	30	100	

Source Primary Source 2009

The results obtained showed that 60% of the respondents were married as compared to 40% who were singles.

### 4.3.3 Educational Background

**Table 6: Showing the educational background of the respondents**

Qualifications	Frequency	Percentage	Cumulative frequency
Below 'O' Level	1	3	3
'A' Level	3	10	13
Diploma	8	27	40
Degree.	18	60	100
Above Degree	0	0	100
TOTAL	30	100	

Source Primary Source 2009

From the result of the research, revealed that none of the respondents had attained qualifications above degree, 3% of the respondents had qualifications below 'O' Level, 'A' Level had 10%, Diploma with 27% while Degree had 60%. Such a sample of literate respondents contributed to a positive achievement of meaningful results from the study it being PPDA Act and organization performance. Educated Respondents easily interpreted questions and gave relevant answers during the study.

#### 4.3.4 The Department respondents work in the organization

**Table 7: Shows the department respondents work in the organization**

Duration	Frequency	Percentage	Cumulative Frequency
Directorate of HR&Administration	12	40	40
Directorate of Dev. & Corporate Affairs	9	30	70
Directorate of Research & Collection	3	10	80
Directorate of Regional Museums, Sites & Monuments	6	20	100
TOTAL	30	100	

Source Primary Source 2009

The research shows that 40% of the respondents worked with the Directorate of Human Resources and administration, this was followed by Directorate of Development and Corporate affairs with 30% and collection had few respondents of 10%. Hence, the information obtained and disseminated was well represented to all department, though directorate of Human Resource and Administration took the highest percentage since procurement department falls under them.

#### 4.3.5 Position held by the respondents in the organization

**Table 8: Showing the position held by the respondent in the organization**

Position	Frequency	Percentage	Cumulative frequency
Top manager	4	13.3	13.3
Middle manager	12	40	53.3
Operational Staff	12	40	93.3
Others	2	6.7	100
TOTAL	30	100	

Source Primary Source 2009

Middle managers and operational staff being the positions held by respondents in the organization took an equal majority responses of 40% and 40% respectively of the total number of respondents whereas top manager had 13.3% while others representing trainees and those on secondments had 6.7%. This indicated that, the level of influence on procurement activities as well as the interactions of various levels of management in execution of procurement activities is more frequent among middle managers and operational staff. However, top management also have a substantial influence.

#### 4.3.6 Organizational tenure

**Table 9: Showing the duration respondent worked with the organization.**

Duration	Frequency	Percentage	Cumulative frequency
Less than 2yrs	4	13.3	13.3
Between 2-5yrs	10	33.3	46.6
5-10yrs	16	53.3	100
Above 10yrs	0	0	100
TOTAL	30	100	

Source Primary Source 2009

Most of the respondents have been working at KWS for more than five (5) years, these respondents are believed to have had enough knowledge about PPDA Act and its successes, because of their long stay in the system. This provided much reliability on the information provided. This category is represented 53.3%, while those who have served between two and five represented 33.3% and 13.3% for those who have been in the service for less than two years. However, none of the respondent had served more than ten years.

#### 4.4 Impact of PPDA Act on organization performance

Instructions: Comment the statement below by circling the correct statement where necessary.

##### 4.4.1 Respondent understanding of anything about PPDA Act

Table 10: Showing respondents understanding about PPDA Act.

Duration	Frequency	Percentage	Cumulative Frequency
Yes	25	85	96.7
No	5	15	30
<b>TOTAL</b>	<b>30</b>	<b>100</b>	

Source Primary Source 2009

Majority (85%) of the respondents agreed they understand the public procurement and disposal of Public assets act, however, there was a small percentage of 15% of the respondents said they did not understand the act. Therefore, PPDA Act is not a new phenomenon to the staff of this organization which is clearly proven by their respondents.

##### 4.4.2 Respondents opinion on the extent to which PPDA Act

Table 11: Showing the extent to which PPDA Act improved the performance of the organization

Extent	Frequency	Percentage	Cumulative Frequency
Larger extent	19	30	63.3
Lesser extent	9	30	93.3
Others	2	6.7	100
<b>TOTAL</b>	<b>30</b>	<b>100</b>	

Source Primary Source 2009

63.3% of the respondents stated that, to a larger extent PPDA Act has improved the performance of the organization, though they were the majority, there was almost half number (30%) of the respondents stated to a lesser extent, while which represented 6.7% of the respondents never gave their opinions. This therefore, explains that PPDA Act has largely improved the performance of the organization. However, others do not agree with the statement.

#### 4.56 Respondents opinions on the benefits of PPDA Act

**Public Procurement and Disposal of Public Assets Act has the following benefits**

**Table 12: Showing respondents opinions on Public Accessibility**

Duration	Frequency	Percentage	Cumulative Frequency
Quality	8	27	27
Delivery	15	5	77
Integrity	1	3.3	80
Honesty	1	3	83
Timely	5	17	100
TOTAL	30	100	

Source Primary Source 2009

Majority of respondents agreed that Public Procurement and Disposal of Public Assets Act achieved the objectives of public accessibility of procurement related information. Also relatively big percentage (30%) of the respondents strongly agreed to quality conformity, (20%) of the respondents agreed to delivery conformity, (15%) of the respondents agreed to the integrity conformity and (30%) of the respondents agreed to honesty conformity and then 25% of the respondents agreed to timely delivery conformity. Therefore, we can deduce that majority of the respondents' belief that PPDA Act achieved the objectives of public accessibility. However, this is not true to same respondents.

**Table 13: Showing respondents opinions on Fairness and Transparency.**

	Frequency	Percentage	Cumulative frequency
Strongly agree	8	27	27
Agree	13	43	70
Strongly disagree	4	13	83
Disagree	3	10	93
Neutral	2	7	100
<b>Total</b>	<b>30</b>	<b>100</b>	

Source Primary Source 2009

A majority (43%) of the respondents agreed that PPDA Act has achieved the public procurement objectives and principles of fairness and transparency, 27% of the respondents strongly agreed were second to the majority, and the minority were respondents who strongly disagreed, disagreed and neutral represented 13%, 10% and 7% respectively. Therefore, to a larger extent PPDA Act has enabled the public to scrutinize public procurement activities. However, some respondents did not approve these concessions.

**Table 14: Showing respondents opinions on Economy and Efficiency (VFM)**

	Frequency	Percentage	Cumulative frequency
Strongly Disagree	83	10	10
Disagree	4	13	23
Neutral	1	3	26
Strongly agree	8	27	53
Agree	14	47	100
<b>Total</b>	<b>30</b>	<b>100</b>	

Source Primary Source 2009

Majority (47%) of the respondents agreed that Public procurement and disposal of public access act have achieved procurement objectives and principles of economy and efficiency (Value for money). There was relatively high percentage (27%) of the



respondents who strongly agreed to this idea. However, minority of the respondents were among those who disagreed, strongly disagreed and neutral represented by 13%, 10% and 3% of the respondents respectively. This result showed that all procurement is conducted to deliver best value for money, irrespective of the method of procurement used. However, this is not true for some respondents.

**Table 15: Showing respondents opinions on Accountability and Independence**

	Frequency	Percentage	Cumulative frequency
Strongly agree	9	30	
Agree	12	40	
Strongly disagree	3	10	
Disagree	4	13	
Neutral	2	7	
<b>Total</b>	<b>30</b>	<b>100</b>	

Source Primary Source 2009

Procurement principles and objectives of accountability and independence have been achieved by PPDA Act according to majority (40%) of the respondents who agreed and followed by second majority (30%) who strongly agreed. However, there were minority respondents who disagreed, strongly disagreed and neutral represented by 13%, 10% and 7% of the respondents respectively. This showed that PPDA Act created conducive environment where parties are responsible for any procurement undertaking without influence from any quarters. However, there are some respondents who think otherwise.

**Table 16: Showing respondents opinions on impartiality**

	Frequency	Percentage	Cumulative frequency
Strongly disagree	0	0	0
Disagree	3	10	10
Neutral	1	3	13
Strongly agree	8	27	40
Agree	18	60	100
<b>Total</b>	<b>30</b>	<b>100</b>	

Source Primary Source 2009

Majority (60%) of the respondents agreed that PPDA Act achieved principles and objectives of impartiality in procurement activities. 27% of the respondents were second to the majority strongly agreed. However, there were minority of the respondents who disagreed and neutral represented by 10% and 3% of the respondents respectively. However, there were no respondents who strongly disagreed. These showed that the PPDA Act created an avenue where there is no favoritism. However, this is not true to some respondents.

#### 4.6 Respondents opinions on problems faced in implementation of PPDA Act

**Table 17: Showing respondents opinions on difficulty in the interpretation of the PPDA Act and Regulations.**

	Frequency	Percentage	Cumulative frequency
Strongly agree	11	37	37
Agree	13	43	80
Neutral	2	7	87
Strongly disagree	3	10	97
Disagree	1	3	100
<b>Total</b>	<b>30</b>	<b>100</b>	

Source Primary Source 2009

Majority (43%) of the respondents agreed that difficulties in interpretation of the PPDA Act and regulations are problems faced in implementation of PPDA Act, this is followed by (37%) of the respondents who strongly agreed, while the minority stated that they strongly disagreed, neutral and disagreed were represented by 10%, 7% and 3% of the respondents respectively. These, therefore showed that PPDA Act would have achieved its objectives if it would have easier to interpret the Act and Regulations by users, these would have helped the performance of the users. However, some respondents thought it otherwise, and did not agree with this concept.

**Table 18: Showing respondents opinions on lack of accessibility**

	Frequency	Percentage	Cumulative frequency
Strongly disagree	3	10	10
Disagree	3	10	20
Neutral	3	10	30
Strongly agree	10	33	66
Agree	11	37	100
Total	30	100	

Source: Primary Source

Majority (37%) of the respondents agreed that lack of accessibility is a problem faced in implementation of the PPDA Act. Second to majority (33%) of the respondents strongly agreed, while minority of the respondents whose opinion strongly disagree, disagree and neutral represented 10% of the respondent each of them. Despite efforts to implement the PPDA Act, lack of accessibility of information related to procurement activities still plays key embodiments. This means that performance may not be measured accurately, since information may not be available to concerns parties. However, some respondents say this was not the case as per their opinions.

**Table 19: Showing respondents opinions on Inadequate Professionalism**

	Frequency	Percentage	Cumulative frequency
Strongly agree	8	27	27
Agree	13	48	70
Neutral	3	10	80
Strongly disagree	0	0	80
Disagree	6	20	100
Total	30	100	

Source: Primary Source

Majority (43%) of the respondents agreed that inadequate professionalism is a problem faced in the implementation of PPDA Act. Second to majority (27%) of the respondents strongly agree, while minority of the respondents whose opinions disagreed and neutral represents 20% and 10% of the respondents respectively, while there were no respondents who strongly disagreed. These showed that inadequate professionalism is a big setback in the implementation of PPDA Act. However, some respondents did not approve these concessions.

**Table 20: Showing respondents opinions on Lack of confidentiality**

	Frequency	Percentage	Cumulative frequency
Strongly disagree	3	10	10
Disagree	6	20	30
Neutral	0	0	30
Strongly agree	9	30	60
Agree	12	40	100
<b>Total</b>	<b>30</b>	<b>100</b>	

Source Primary Source 2009

Majority (40%) of the respondents agreed that lack of confidentiality in the procurement processes are problems faced in implementation of PPDA Act this is followed by (30%) of the respondents who strongly agreed, while the minority stated that they disagreed and strongly disagreed were represented by 20% and 10% of the respondents respectively. While there were no respondents who were neutral. These, therefore showed that PPDA Act did not achieve its objectives of confidentiality of procurement activities. However, some respondents thought it otherwise, and did not agree with this concept.

**Table 21: Showing respondents opinions on corruption and wasting**

	Frequency	Percentage	Cumulative frequency
Strongly agree	13	43	20
Agree	6	20	63
Neutral	3	10	73
Strongly disagree	3	10	83
Disagree	5	17	100
Total	30	100	

Source Primary Source 2009

Majority (43%) of the respondents of strongly agreed that corruption and wasting are problems faced in implementation of PPDA Act, second to the majority (20%) of the respondents agreed, whereas, the minority of the respondents who disagreed,, strongly disagreed and neutral represented by 17%, 10% and 10% of the respondents respectively. PPDA Act can effectively be implemented to improve the performance, if corruption and wasting by relevant stakeholders is first addressed. However, few respondents did not accept this to be true.

## **CHAPTER FIVE**

### **DISCUSSION OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

The purpose of this chapter is to discuss the findings in chapter four, draw a conclusion, provide recommendations and suggest areas for further research. The chapter is divided into three sections, section one composes the discussions of the findings in chapter four, section two provides the conclusion and the last section contains the recommendations and suggestions for further research.

#### **5.2 Discussion of the findings**

This section discusses the findings as per the research objectives which were as follows;

1. To identify the roles/benefits of the Public Procurement and Disposal of Public Assets Act.
2. to find out the problems of carrying out Public Procurement and Disposal of Public Assets Act.

#### **5.3 Benefits of PPDA Act**

The following are the benefits of Public Procurement and Disposal of Public Assets Act.

- Economy and efficiency
- Fairness and transparency
- Accountability and independence
- Public accessibility
- Impartiality

From the findings the public procurement since it achieved the above mentioned benefits hence improving organizing performances unlike the traditional way where there was no clear rules and regulations.

#### **5.4 Challenges that hinder the effective implementation of the PPDA Act**

The study findings revealed that, the PPDA Act is faced with various challenges that deter its effective implementation thus, it's in ability to completely improve performance in an organization. among these challenges were;

Difficulty in the interpretation of the PPDA Act and Regulations.

- Lack of accessibility
- Inadequate professionalism
- Lack of confidentiality
- Corruption and wasting

The findings indicated that among these challenges, the biggest challenge is the difficulty in interpretation of PPDA Act and Regulations followed by inadequate professionalism in the areas of procurement, despite efforts to bridge the gaps, these challenges still hinder the effective implementation of PPDA Act because they are coupled with lack of political will, therefore not adequately helping in organizational performance.

#### **5.5 Solutions to challenges hindering the effective implementation of the PPDA Act**

From the findings, it was revealed that, possible solutions to effective implementation of PPDA Act include;

- Establishment of a body that regulates procurement practitioners, while setting strict code of conduct for the same.
- Removal of political interference from public procurement
- Developing training programs for procurement professional in the form of seminars and workshops.
- Training of the private sector service providers on how to do business with the government and civil organization.

The research findings suggested that for these solutions to effectively work, there must be strictly supported by all stakeholders.

## 5.6 Conclusion

The purpose of the study is to assess the impact of Public Procurement and Disposal of Public Assets Act in ensuring that there is value for money (VFM) in procurement activities. The conclusion is made in accordance with the research questions at the beginning of the study. The study revealed that PPDA Act improved the performance of KWS through the following;

- Economy and efficiency
- Fairness and transparency
- Accountability and independence
- Public accessibility
- Impartiality

The PPDA Act also "improved performance by achieving its objectives of fairness, transparency, impartiality, consistency, efficiency, traceability and accountability.

The study also found out that, challenges that hinder the effective implementation of the PPDA Act include;

- Difficulty in the interpretation of the PPDA Act and Regulations
- Lack of accessibility
- Inadequate professionalism
- Lack of confidentiality
- Corruption and wasting



“

Solution to enhance implementation of the PPDA Act call for;

- Establishment of a body that regulates procurement practitioners, while setting strict code of conduct for the same.
- Removal of political interference from public procurement
- Developing training programs for procurement professional in the form of seminars and workshops.
- Training of the private sector service providers on how to do business with the government and civil organization.

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According to the findings, PPDA Act to an average extent has helped the organization performance. However, challenges identified still need to be straightened up for the PPDA Act to do more. There is also need to involve all the stakeholders in the procurement process to be acquainted with the importance of sound procurement practices so as to obtain value for money (VFM).

## 5.7 Recommendations

Basing on the above research findings, the researcher suggests the recommendations in a bid to enhance the impact of the PPDA Act on organization performance.

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Building a competent professional staff base to handle procurement activities at all levels of public procurement, there is need to promote institutions such as Kenya Institute of Supply Management (KISM) as a regulatory body for procurement professionals, these will help in setting code of conduct and training programs for practitioners.

Government through Public Procurement Oversight Authority (PPOA) should embark on an intensive campaign aimed at sensitizing the public about the use of PPDA Act so that the public can be able to understand and interpret the Act.

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Organizations, Civil Societies, Government and other Stakeholders should work together in ensuring that the PPDA Act is strictly adhered to when executing any procurement task.

Though found guilty of flouting the PPDA Act and Regulations while conducting any Public Procurement activity should be severely punished, and whistle blowers need to be protected this will help sustain integrity of PPDA Act.

### **5.8 Suggestions for further Research**

PPDA Act is new area, basing on the study; there are still other areas that need further research. Among which includes;

1. Impact of the PPDA Act on effective Supply Chain Management
2. PPDA Act and Impact on Economic
3. PPDA Act and Private Sector Organizations
4. Role of PPDA Act on Service delivery

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## APPENDICES

### APPENDIX A

#### QUESTIONNAIRE

Dear respondent,

I BASHIR DAGANE HAJI a student of Kampala International University pursuing Bachelor of Supplies and Procurement Management carrying out a research study on;

- a) IMPACT OF PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS ACT ON ORGANISATION PERFORMANCE: A CASE STUDY OF REGIONAL KENYA WILDLIFE SERVICE KENYA, NAIROBI". Please help to fill the questionnaire, the information you will give will be used purely for academic purposes and will be treated with high degree of confidentiality, you are therefore requested to answer the questions fully and honestly.

Thank you for assistance

*Instructions: Tick or Write in the space provided*

#### SECTION A The respondents' background information

1.1 Names of respondent.....

1.2 Age .....

1.3 Sex      Male ☐      Female ☐

1.4 Marital Status      Married ☐      Single ☐

1.5 Highest Level of Education attained.

Below 'O' Level

"A" Level ☐

Diploma ☐

Degree ☐

Above Degree ☐

21. What are the benefits of PPDA Act?

- A. Quality ☐
- B. Delivery ☐
- C. Integrity ☐
- D. Honesty ☐
- E. Timely ☐
- F. Economy and efficiency ☐
- G. Fairness and transparency ☐
- H. Accountability and independence ☐
- I. Public accessibility ☐
- J. Impartiality ☐

22. What are the problems faced in implementing PPDA Act?

- A. Difficulty in the interpretation of the PPDA Act and Regulations ☐
- B. Lack of accessibility ☐
- C. Inadequate professionalism ☐
- D. Lack of confidentiality ☐
- E. Corruption and wasting ☐

Questionnaire answered by (optional)

Sign: ..... Date: .....