

**PUBLIC PROCUREMENT PRACTICES AND
PERFORMANCE OF SELECTED CONSTITUENCY
DEVELOPMENT FUND PROJECTS IN KENYA**

PAUL OМУYA MACHOKA

DOCTOR OF PHILOSOPHY

(Supply Chain Management)

**JOMO KENYATTA UNIVERSITY OF
AGRICULTURE AND TECHNOLOGY**

2016

**Public Procurement Practices and Performance of Selected
Constituency Development Fund Projects in Kenya**

Paul Omuya Machoka

**A Thesis Submitted in Partial Fulfillment for the Degree of Doctor of
Philosophy in Supply Chain Management in the Jomo Kenyatta
University of Agriculture and Technology**

2016

DECLARATION

This thesis is my original work and has not been presented for a degree in any other University.

Signature.....

Date.....

Paul Omuya Machoka

The thesis has been submitted for examination with our approval as university supervisors.

Signature.....

Date.....

**Dr. Susan Were,
JKUAT, Kenya**

Signature.....

Date.....

**Dr. Nicholas Letting,
MUA, Kenya**

DEDICATION

I wish to thank all those people who have in one way or another contributed to make this project a success. I am dedicating this research project to my family, late parents, my brother and sisters. My sincere thanks goes to my supervisors Dr. S. Were and Dr. N. Letting who read all the drafts of this thesis and made useful and constructive critics and suggestions that made me clarify many of my ideas. Above all glory and honor be to God for giving me the strength, grace and divine ability throughout my studies. God bless all.

ACKNOWLEDGEMENT

I will also like to give the following people my thanks for the help they extended to me during the research process. The first person is my supervisors Dr Susan Were and Dr Nicholas Letting for their relentless guidance throughout the process of thesis writing. I also thank the entire JKUAT community and CDF projects in Nairobi County, Kiambu county Kisumu County, Bomet County, Kisii County and Bungoma County respectively, for creating a conducive environment to facilitate research and learn. Also I would like to acknowledge my brother Chris Moindi who assisted in field data collection, nephew Duncan Mabonga and Mary Wachira for data editing and compiling of the document.

TABLE OF CONTENT

DECLARATION.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENT	v
LIST OF TABLES	xii
LIST OF FIGURES	xv
LIST OF APPENDICES	xvii
LIST OF ABBREVIATIONS AND ACRONYMS	xviii
OPERATIONAL DEFINITION OF TERMS	xix
ABSTRACT.....	xxi
CHAPTER ONE	1
INTRODUCTION.....	1
1.1 Background of the study.....	1
1.1.1 Performance of CDF Projects	3
1.1.2 Global Perspective of Public procurement Practices	4
1.1.3 Kenyan Perspective of Public Procurement Practices and CDF projects....	8
1.3 Research Objectives	13
1.3.1 General Objective	13
1.3.2 Specific Objectives	13

1.4	Research Hypothesis	13
1.5	Justification of the Study	14
1.6	Scope of the Study	15
CHAPTER TWO		17
LITERATURE REVIEW.....		17
2.1	Introduction	17
2.2	Theoretical Review.....	17
2.2.1	Resource Based View	18
2.2.2	Theory of Socio Change	19
2.2.3	Governance and Performance Theory	20
2.2.4	Supplier Performance Mmeasurement Theory	20
2.3	Conceptual Framework	21
2.3.1	Capacity Building	24
2.3.2	Supplier Relationship.....	25
2.3.3	Procurement Ethics	26
2.3.4	Information Communication Technology	28
2.3.5	Government Policy	31
2.3.6	Performance of CDF Projects	33
2.4	Empirical Literature	33
2.4.1	Capacity Building	33
2.4.2	Supplier Relationship.....	35

2.4.3	Procurement Ethics	38
2.4.4	Information Communication Technology	40
2.4.5	Government Policy	41
2.4.6	Performance of CDF Projects in Kenya	45
2.5	Critique of Literature	49
2.7	Research gaps	54
CHAPTER THREE		56
RESEARCH METHODOLOGY		56
3.1	Introduction	56
3.2	Research Design	56
3.2.1	Research Philosophy	56
3.3	Population of the Study	57
3.3.1	Sampling Frame	58
3.3.2	Sample and Sampling Technique	58
3.5	Data Collection and Instruments	60
3.6	Data Collection procedures	60
3.7	Pilot testing.....	60
3.8	Data Analysis and Presentation.....	62
CHAPTER FOUR.....		66
RESEARCH FINDINGS AND DISCUSSIONS.....		66
4.1	Introduction	66

4.2	Response Rate	66
4.3	Reliability Test	66
4.4	Demographic Characteristics	67
4.4.1	Gender Composition of Respondents	68
4.4.2	Age of Respondents	68
4.4.3	Level of Education.....	69
4.4.4	Work Duration in Years.....	70
4.5	Capacity Building.....	70
4.5.1	Hiring Policy.....	70
4.5.2	Training Budget	71
4.5.3	Training.....	72
4.5.4	Relationship between Capacity Building and Performance of CDF Projects.....	72
4.5.4.2	Regression between Capacity Building and Performance of CDF Projects	75
4.6	Supplier Relationship	80
4.6.1	Supplier Identification	80
4.6.3	Supplier Evaluation.....	82
4.6.4	Relationship between Supplier Relationship and Performance of CDF Projects.....	82
4.7	Procurement Ethics.....	90
4.7.1	Procurement Code of Ethics	90

4.7.2	Quality Statement	90
4.7.3	Service Delivery Statement	91
4.7.4	Relationship between Procurement Ethics and Performance of CDF Projects.....	92
4.8	Information Communication Technology	99
4.8.1	E-procurement	99
4.8.2	E-Government.....	100
4.8.4	Relationship between Information Communication Technology and Performance of CDF Projects	101
4.9	Government Policy.....	108
4.9.1	Procurement Procedures	108
4.9.2	Tendering Methods	108
4.9.3	Regulatory Framework	109
4.10	Performance of CDF Projects.....	110
4.11	Multivariate Multiple Linear Regression.....	111
4.11.1	Regression between the Capacity building and Performance of CDF Projects.....	111
4.11.2	Regression between the Supplier Relationship and Performance of CDF Projects.....	113
4.11.3	Regression between the Procurement Ethics and Performance of CDF Projects.....	116
4.11.4	Regression between the ICT and Performance of CDF Projects.....	118

4.12	Diagnostic Tests.....	120
4.12.1	Multi-co linearity test.....	120
4.12.2	Test for Normality of Residuals.....	123
4.12.3	Test for Heteroscedasticity	123
4.13	Multiple Linear Regression before Moderation.....	124
4.14	Moderating Effect of Government Policy	128
CHAPTER FIVE.....		133
SUMMARY, CONCLUSION AND RECOMMENDATIONS.....		133
5.1	Introduction	133
5.2	Summary	133
5.2.1	Capacity Building	133
5.2.2	Supplier Relationship.....	134
5.2.3	Procurement Ethics	135
5.2.4	Information Communication Technology	135
5.2.5	Government Policy	136
5.3	Conclusion.....	137
5.3.1	Capacity Building	137
5.3.2	Supplier Relationship.....	137
5.3.6	Government Policy	138
5.4	Recommendations of the Study.....	139
5.4	Areas for Further Study	140

REFERENCES.....141
APPENDICES.....159

LIST OF TABLES

Table 3.1:	Target Population	57
Table 3.2:	Sample Design	59
Table 4.1:	Response Rate	66
Table 4.2	Reliability Coefficient.....	67
Table 4.3	Gender of the Respondents	68
Table 4.4:	Age of the Respondents	69
Table 4.5:	Level of Education of the Respondents	69
Table 4.6:	Work Duration in Years.....	70
Table 4.7:	Hiring Policy	71
Table 4.8	Training Budget	71
Table 4.9:	Training	72
Table 4.10:	Model Fitness	73
Table 4.11:	Analysis of Variance	74
Table 4.12:	Regression Coefficients.....	75
Table 4.13:	Model Fitness	76
Table 4.14:	Analysis of Variance	76
Table 4.15:	Regression Coefficients.....	78
Table 4.16:	Model Fitness	79
Table 4.17:	Analysis of Variance	79
Table 4.18:	Regression Coefficients.....	80

Table 4.19:	Supplier Identification.....	81
Table 4.20:	Supplier Assessment	81
Table 4.21:	Supplier Evaluation.....	82
Table 4.22:	Model Fitness	83
Table 4.23:	Analysis of Variance	84
Table 4.24:	Regression Coefficients.....	85
Table 4.25:	Model Fitness	86
Table 4.26:	Analysis of Variance	86
Table 4.27:	Regression Coefficients.....	87
Table 4.28:	Model Fitness	88
Table 4.29:	Analysis of Variance	88
Table 4.30:	Regression Coefficients.....	89
Table 4.31:	Procurement Code of Ethics.....	90
Table 4.32:	Quality Statement.....	91
Table 4.33:	Service Delivery Statement.....	91
Table 4.34:	Model Fitness	92
Table 4.35:	Analysis of Variance	93
Table 4.36:	Regression Coefficients.....	94
Table 4.37:	Model Fitness	95
Table 4.38:	Analysis of Variance	95
Table 4.39:	Regression of Coefficients	96

Table 4.40:	Model Fitness	97
Table 4.41:	Analysis of Variance	97
Table 4.42:	Regression Coefficients.....	99
Table 4.43:	E-procurement Services	100
Table 4.44:	E-Government Services	100
Table 4.45:	E-Commerce Services.....	101
Table 4.46:	Model Fitness	102
Table 4.47:	Analysis of Variance.....	102
Table 4.48:	Regression Coefficients.....	103
Table 4.49:	Model Fitness	104
Table 4.50:	Analysis of Variance	104
Table 4.51:	Regression Coefficients.....	105
Table 4.52:	Model Fitness	106
Table 4.53:	Analysis of Variance	106
Table 4.54:	Regression Coefficients.....	107
Table 4.55:	Procurement Procedures.....	108
Table 4.56:	Tendering Methods Policy	109
Table 4.57:	Regulatory Framework.....	109
Table 4.58:	Performance of CDF Projects.....	110
Table 4.59:	Model Fitness	111
Table 4.60:	Analysis of Variance	112

Table 4.61:	Regression Coefficients.....	113
Table 4.62:	Model Fitness	114
Table 4.63:	Analysis of Variance	114
Table 4.64:	Regression Coefficients.....	115
Table 4.65:	Model Fitness	116
Table 4.66:	Analysis of Variance	117
Table 4.67:	Regression Coefficients.....	117
Table 4.68:	Model Fitness	118
Table 4.70:	Regression Coefficients.....	120
Table 4.71:	Multi-co linearity Test using Correlation Analysis.....	122
Table 4.72:	Test of Heteroskedasticity.....	124
Table 4.73:	Model Fitness	124
Table 4.74:	Analysis of Variance	125
Table 4.75:	Regression Coefficients.....	126
Table 4.76:	Moderating Effect of Government Policy on Overall Performance.....	128

LIST OF FIGURES

Figure 2.1:	Conceptual framework	23
Figure 4.1:	Graphical Examination of Normality of residuals	123
Figure 4.2:	Performance of CDF Projects.....	131

LIST OF APPENDICES

Appendix i: Letter of Introduction	159
Appendix ii: Questionnaire	160
Appendix iii: List of Sampled CDF Projects	174
Appendix iv: Approval Letter	186
Appendix v: Letter of intent to Submit	187

LIST OF ABBREVIATIONS AND ACRONYMS

AGIMO	Australian Government Information Management Office
APA	A Professional Association of Psychologists
CDC	Constituency Development Committee
CDF	Constituency Development Fund
CDFC	Constituency Development Fund Committee
DRP	Distribution Resource Planning
ERP	Enterprise Resource Planning
GOK	Government of Kenya
ICT	Information communication Technology
RDP	Resource Dependence Perspective
RBV	Resource –Based View
SRM	Supplier Relationship Management
SPM	Supplier performance Management
SPSS	Statistical Program for Social Science
TCE	Transactional Cost Economies
TISA	The Institute of social Accountability

OPERATIONAL DEFINITION OF TERMS

Accountability	Accepting responsibility and being answerable for actions or decision made. Includes obligation to report, explain and bear consequences of one's decisions, actions or behavior or decisions made (Mugenda & Mugenda, 2003).
Decentralization	A political process of transferring responsibilities to local elected for assessing local priorities for public goods and services for local delivery of public goods and service (Ndegwa, 2002).
Governance	Process of governing whether undertaken by a government market, or network whether over a family, tribe, formal or informal organization or territory and whether through laws, norms, power, or language. It relates to processes and decisions that seek to define grant power and verify performance (Kaufman, 2009).
Procurement	The 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 combination.(Lyson, 2006)
Transparency	The practice of sharing information, ideas, rationale decision, assumptions and procedures as the basis of value judgments and decisions by those in positions of authority. Transparency is a means of holding public officers accountable and discourage

corruption or misuse of public funds / resources –openness to the stakeholders (Mugenda & Mugenda, 2003).

Performance

Performance is the ability to fulfill an obligation to attain the set objectives, fulfill a requirement and accomplish something as promised or expected Performance is the organization's ability to attain its goals by using resources in an ideal manner (Daft, 2004)

ABSTRACT

The purpose of the study was to establish the public procurement practices on performance of constituency development funds projects in Kenya. Procurement professionals have always walked on a tight rope in order to implement objectives and goals. Their ability to accomplish these procurement objectives and policies indicate that procurement officials are influenced by political, legal- internal and external factors. The tendering process can be a minefield of potential litigation without proper procedures and regulations, where contractors complain of the lack of a fair and consisted approach to tendering and accusation of favoritism and corruption. Public procurement is a major development mechanism, the potential which has not been fully designed in pursuit of value for money and efficiency in the use of public funds. The purpose is to support the attainment of high economic growth and ensure delivery of service. The reform strategy for economic development will not be achieved without the participation of community in transparency and accountability in delivery of non-core public service. The study used a descriptive research design. The target population was 2000 officers drawn from 96 CDF projects in Nairobi County, Kiambu County, Kisumu County, Bomet County, Kisii County and Bungoma County respectively. The study used exploratory, descriptive and quantitative designs and stratified random sampling procedure to select a sample size of 96 respondents. Questionnaires were used for collecting data which was processed and analyzed by use of SPSS. The data analyzed included descriptive and inferential statistics. Data was presented by using tables and figures. The findings of the study concluded that most of the CDF projects management had a capacity building programme, good supplier relationships, good procurement ethics, but didn't have a well established information communication technology system. The study also concluded that government policy influenced the relationship between public procurement practices and the performance of most of the CDF projects negatively. Following the study

results, the study recommended that the stakeholders and policy makers should employ better capacity building strategies. The CDF project management committees should emphasis on supplier relationships so as to ensure continuous performance of the CDF projects. Specifically, the management should ensure that there exist good supplier identification, assessment and evaluation strategies. This study recommends that the CDF management committees should endeavor to maintain high levels of integrity in procurement ethics. The CDF management committees should prioritize on having articulated procurement code of ethics, quality statement and services delivery statement, so as to ensure continuous performance of CDF projects. The study recommended that the CDF management committees should invest on ICT. Specifically, they can consider having E- commerce, E-government and E-procurement systems. Therefore, the study recommends that the government of Kenya should formulate policies that ensure proper governance of CDF projects

CHAPTER ONE

INTRODUCTION

This chapter entails background of the study which outlines the link between public procurement practices and performance of constituency development fund. This chapter also outlines the statement of the problem indicating that the public procurement practices employed in CDF projects in Kenya are not up to standard which has affected their performance of constituency development fund performance negatively. Further, this chapter outlines the objectives of the study which the study will focus on and the research hypothesis which the study will test. Finally, this chapter outlines the justification of the study, scope of the study, and limitations of the study.

1.1 Background of the study

The Constituency Development Fund (CDF) was created in Kenya in 2003 through an Act of parliament to “fight poverty at the grassroots level through the implementation of community based projects which have long term effects of improving the peoples’ economic well being and to relieve members of parliament from the heavy demands of fund-raising for projects which ought to be financed through the Consolidated Fund. The legal provision of the establishment and operation of the Act suggests that the fund is essentially a model for decentralization of development planning and implementation. In this case, the organization and operation of the fund lies squarely within the domain of administrative decentralization (Chweya, 2014).

Decentralization as a means for fostering development has been a focus of intense academic, policy and even popular debate in Africa in general and Kenya in particular. On the policy front, the government has formulated a series of decentralization programs, although their implementation has in all cases fallen far short of expectation. The most notable of the decentralization programs that have

been attempted in the past include *majimbo* system (1963), District Development Grant Program (1966), the Special Rural Development Program (1969/70), the Rural Development Fund, District Development Planning (1971), and the District Focus for Rural Development (1983'84). These programs were established to run simultaneously with local government authorities that are also an aspect of decentralization (Chweya, 2014).

More recently, all the diverse opinions on the Constitution of Kenya review process have coalesced around the need for a constitutionally sanctioned structure of decentralization with divergence appearing only in regard to the precise model that should be adopted. The CDF is arguably the new kid on the block in terms of attempts to decentralize decision-making. The primary argument for decentralization is that it enhances the process and speed of development through the “provision of social and economic services.” although this meaning of development has been found to be weak because it creates a government-dependent society. Development must therefore mean enhancing the capacity of the society to cope with challenges and meet its needs. The contribution of the CDF program must therefore be assessed against the background of the latter meaning of development. The establishment of the CDF program is an expression of continued faith in decentralization and frustration with the poor – indeed fatal – performance of all previous models of decentralization. How well is the legal and organizational framework of the CDF program suited for the realization of development goals in Kenya in the light of theoretical precepts of decentralization? This question will be answered through, first, an assessment of the organizational framework of the CDF and second, an assessment of the established (Chweya, 2014).

The 2010 constitution of Kenya currently in force replaced the 1969 constitution that itself had replaced the 1963 independence constitution. The new constitution commits the government to the principles of Good financial governance (transparency, target oriented and cost efficiency), which is laid down and regulated in its twelfth chapter part of good financial management is the budget execution and

budget spending. Therefore it was consequent to also introduce an article on public procurement in the new constitution. Under part XII public Finance, Article 227 the constitution deals with procurement of public goods and services and stipulates as follows: {1) When a state organ or any other public entity contracts for goods or services, it shall do so in accordance with a system that is fair, equitable, transparent, competitive and effective. (2) An act of parliament shall prescribe a framework within which policies relating to procurement and asset disposal shall be implemented (PPOA, 2005).

Further based on the provisions provided in the new Act among others, PPOA conducted a study to determine the impact of the new constitution in public procurement in November, 2010 and developed a compendium of proposed amendment to the public procurement and disposal Act, 2005. The process of preparing a parliamentary bill is underway since the end of 2011. According to the fourth schedule of the new constitution, procurement of goods and services has to be looked into and steps taken to reform it, together with the PPD Act which has to be amended by an Act of parliament within four years after the enactment of the constitution, which means by the middle of 2014 (PPOA, 2005)

1.1.1 Performance of CDF Projects

Performance refers to “the manner in which people do their jobs” (Swanson, 1994, p. 7). Scholars use the concept to show a combination of employee’s feelings towards the different facets of performance such as the nature of the work itself, level of pay, promotion opportunities and satisfaction with co-workers. Most scholars as illustrated by , tend to believe that performance is the carrying out of an activity with great skill. Rahman and Bullok, (2005). Performance is the ability to fulfill an obligation to attain the set objectives, fulfill a requirement and accomplish something as promised or expected. Performance is the organization’s ability to attain its goals by using resources in an ideal manner (Daft, 2004)

Performance can be viewed as the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost and speed (Mclaughlin, 2002). In contract, performance is deemed to be the fulfillment of an obligation, in a manner that releases the performer from all liabilities under the contract, (<http://ardictionary.com/performance>). It is the act of performing; accomplishment; representation by action; as, the performance of an undertaking of a duty.

Despite the existence of the devolved funds, internal inefficiencies in their management have made them not to achieve the desired results. For instance, Wanjiru (2008) documents that poverty levels have increased from 56% in 2002 to 60% in 2008, public service delivery has failed, inequalities in resource distribution prevails and funds meant for community use have been looted by corrupt civil servants and politicians. A new audit carried out by the National Taxpayers Association (NTA) reveals that Sh242 million of the Sh1.2 billion allocated to the Development Fund (CDF) in the period 2010/2011 is either misappropriated or unaccounted for (Matata, 2011).

1.1.2 Global Perspective of Public procurement Practices

According to Ndegwa (2002), decentralization, defined broadly as the transfer of public authority, resources, and personnel from the national level to sub-national jurisdictions, has been a recurrent theme in African countries since independence. In this regard, we are concerned only with decentralization to the local level, which is supposed to result in local governments and local service delivery. We are not concerned with decentralization at the regional, state or provincial levels, which typically has a different dynamic often tied closely to the very nature of the state and an explicit balance of political forces. We also distinguish between decentralization, which we define as entailing transfer of political, administrative, and fiscal responsibilities, and deconcentration, which we define as the mere relocation of executing agencies to the local level with responsibility and power remaining at the center.

Decentralization is one of the most reforms of the past generation both in terms of the number of countries affected and the potentially deep implications of the nature and quality of governance. A decade ago, estimates of the number of decentralized experiments ranged from 80% of the world's countries to effectively all of them. Since then, further reforms have been encountered in countries like Bolivia, Ethiopia, Uganda, Cambodia, France, South Africa, South Korea, U.K, Japan, Peru and others. The trend encompass all of the world's regions, and includes nations rich and poor, large and small and with very different colonial histories. In short decentralization is being implemented essentially everywhere. Comparatively few studies investigate decentralization's effects on the quality of governance. Reforms around the world agree. Decentralization programs across the rich and poor countries are centrally motivated by a quest to improve governance (Ndegwa, 2002).

Public procurement is dictated by the government systems: unitary or federal system; central or local government. In unitary, the central government exercises control over local bodies government in various countries, be it provincial or local government. For example, in Uganda the central government regulates local government procurement structure and process. At the other extreme in the federal state system, federal and local government enjoys a high level of autonomy. Each state and local is free to create their own procurement structure, methods and processes. Thus, public procurement in federal system is very fragmented and there exist a great variation in procurement organizational structure, methods and processes. The U. S and Canada are example of federal system. However, many unitary type countries, too much centralization tend to hinder procurement efficiency and growth (Thai, 2008).

Political Environment: In a democracy many individuals, groups, and organizations- the private sector industry, trade associations, professional associations, and business firms or companies (commonly known as interest groups) are actively involved in all aspects of the public procurement system. Having various interests, objectives and beliefs, interest groups are involved in the public procurement system in several ways such as lobbying legislative bodies to pass or alter procurement statutes,

influencing implementation of these statutes, and influencing budget authorization and appropriation process. Normally, a government program that is eventually adopted is a compromise among different views of interest groups, policy makers and management. In this democratic environment, there are cases of a strong coalition of policy makers, bureaucratic, and interest groups in their effort to get their program adopted (Thai, 2008).

However, the iron triangle shifts after the procurement program authorization and appropriation stages move to the procurement stage. As failure or success in winning large defense contracts has a greater impact on a firm, specialized companies compete against each other for these contracts. Public procurement professionals have difficult choices as they face various political pressures and have to make sound economic decisions as well. For example, should they be concerned with maintaining future business competition by keeping relatively weak companies in business, or should they let these small weak firms out of business and leave a few specialized to compete for contracts? This issue is more common in developing countries where perfect competition hardly exist. Large firms are more willing to make a small profit margin or even to take business losses by offering especially favorable pricing simply to obtain the contract. After the small firms are out of business the larger firms will enjoy an imperfect competition market (Thai, 2008).

According to Thai (2008), there are two types of goals in the procurement system; procurement goals and non-procurement goals. Procurement goals are primarily associated with quality, reduction of financial and technical risks, and protection over competition and integrity in the system. Non- procurement goals usually involve the economic, social and political effects of procurement. The administration must realize that procurement is a political, complex process of conflicting interests, one of it used too often to bring benefit or advantage to one group over another, the system will be seen as unfair and inequitable. In addition the public might lose confidence in the system. For example one type of non-procurement goal aimed at inducing social benefits might be offering contracts to businesses owned by

minorities or women. This might help the group and even the economy for a short time, but the action brings a certain bias to the procurement process.

According to Arrowsmith (2003), public procurement is an area where unification of laws is particularly advanced. Generally, standardization efforts are more pronounced with respects to the selection phase. There are various significance international instruments promoting standardization which affect different aspects of the procurement contract. Among the most important is the Vienna Convention on the international sale of Goods which, unless specifically opted out, applies automatically to parties having their place in two member countries? In addition to the government procurement Agreement, the WTO's codes system includes other agreements which are relevant to the procurement such as those on pre-shipment inspection, rules of origin, and technical barriers to trade.

Consequently, the procurement system has to be adjusted and become more complicated; public procurement professionals face additional challenges including: standard conditions, protest and arbitration procedures, international transactions, communication, currency exchange rates, and payments, and transportation. Public procurement are torn between free trade agreements and their countries' economic development/ stabilization policies when they face a choice between selecting domestic or foreign firms. Law and regulations: A sound public procurement system needs to have good procurement laws and regulations. In practice and theory, public procurement laws and regulations have been considered as one of the most important pillars of a sound procurement system as evidenced in past research, publications and practices. Procurement laws and regulations lead to procurement efficiency or inefficiency. There was a debate about procurement legal framework that hinders or helps procurement direction. Ideally procurement laws and regulations should be clear, consistent, comprehensive, and flexible. Clarity, which requires the primary sources be carefully drafted to ensure that basic principles are clear but do not prevent the use of more efficient procedures or new technology. All procedural details should be included in implementing regulations consisted with the primary

sources. Delegation of responsibilities at the central government, political subdivision, or agency level should be clearly defined, as appropriate. Consequently, which can be achieved when procurement provisions contained in different sources are well coordinated (i.e. there are no overlap or conflict the hierarchy of resources is clear, new provisions are promptly incorporated, and outdated provisions are repealed.

1.1.3 Kenyan Perspective of Public Procurement Practices and CDF projects

In most developed countries public procurement takes place within the framework of international obligation such as the World Trade organization (WTO), agreement on procurement. Public procurement in developing countries need not meet international regulations. The pressure to reform may not be strong in developing countries. The donors considered Africa's procurement system a key obstacle to service delivery. However in recent times there has been need for reforming by the sequences set by World Bank and other donor agencies if their funds are to be used effectively to promote economic development (Abeillé, 2003). Many countries have moved to regional trading blocs, as such public procurement face a challenge on how to comply with their government's procurement regulations without violating regional or international agreements. There is also a challenge that developed and developing countries have two sets of requirements, i.e. management requirements and policy requirements. Procurement cannot be perceived as a mere clerical routine, but they should be involved in strategic procurement planning (Arrowsmith, 2003).

Like any other developing countries, the procurement professionals in Kenya have faced many challenges. The main obstacles include: lack of support by top management in the government –political will. Inadequate capital, lack of trained personnel in the public sector and attitude of staff in public sector. Other contributory factors include lack of accountability and transparency, poor knowledge and skills amongst bidders/contractors and challenge in the implementation of PPDA act 2005. Public procurement and disposal regulation was operational zed in Jan.2007. A

program was set up to tackle the above issues highlighted by the review board. The reforms undertaken so far are the following: capacity building assessment, development and implementation of E-procurement, development of certification of suppliers system, establishment of public procurement and oversight Authority, establishment of the Advisory Board and Review Board, development and implementation of monitoring and evaluation system, reforming the public health sector system. In 2004 WTO General Council decided not to launch negotiations on new multilateral rules on transparency in public procurement, referred to as evidence by which successful public procurement reform can be implemented. The case for multilateral rules on transparency in public procurement will depend on: improving on transparency before reforms and improve public contingent on other reforms for developing countries (Abeillé, 2003).

Decentralization as a means for fostering development has been a focus of intense academic, policy and even popular debate in Africa in general and Kenya in particular. On the policy front, the government has formulated a series of decentralization programs, although their implementation has in all cases fallen far short of expectation. The most notable of the decentralization programs that have been attempted in the past include *majimbo* system (1963), District Development Grant Program (1966), the Special Rural Development Program (1969/70), the Rural Development Fund, District Development Planning (1971), and the District Focus for Rural Development (1983'84). These programs were established to run simultaneously with local government authorities that are also an aspect of decentralization (Chweya, 2014).

More recently, all the diverse opinions on the Constitution of Kenya review process have coalesced around the need for a constitutionally sanctioned structure of decentralization with divergence appearing only in regard to the precise model that should be adopted. The CDF is arguably the new kid on the block in terms of attempts to decentralize decision-making. The primary argument for decentralization is that it enhances the process and speed of development through the “provision of

social and economic services.” although this meaning of development has been found to be weak because it creates a government-dependent society. Development must therefore mean enhancing the capacity of the society to cope with challenges and meet its needs. The contribution of the CDF program must therefore be assessed against the background of the latter meaning of development. The establishment of the CDF program is an expression of continued faith in decentralization and frustration with the poor – indeed fatal – performance of all previous models of decentralization. How well is the legal and organizational framework of the CDF program suited for the realization of development goals in Kenya in the light of theoretical precepts of decentralization? This question will be answered through, first, an assessment of the organizational framework of the CDF and second, an assessment of the established (Chweya, 2014).

The 2010 constitution of Kenya currently in force replaced the 1969 constitution that itself had replaced the 1963 independence constitution. The new constitution commits the government to the principles of Good financial governance (transparency, target oriented and cost efficiency), which is laid down and regulated in its twelfth chapter part of good financial management is the budget execution and budget spending. Therefore it was consequent to also introduce an article on public procurement in the new constitution. Under part XII public Finance, Article 227 the constitution deals with procurement of public goods and services and stipulates as follows; when a state organ or any other public entity contracts for goods or services, it shall do so in accordance with a system that is fair, equitable, transparent, competitive and effective, an act of parliament shall prescribe a framework within which policies relating to procurement and asset disposal shall be implemented (PPOA.2005).

Further based on the provisions provided in the new Act among others, PPOA conducted a study to determine the impact of the new constitution in public procurement in November, 2010 and developed a compendium of proposed amendment to the public procurement and disposal Act, 2005. The process of

preparing a parliamentary bill is underway since the end of 2011. According to the fourth schedule of the new constitution, procurement of goods and services has to be looked into and steps taken to reform it, together with the PPD Act which has to be amended by an Act of parliament within four years after the enactment of the constitution, which means by the middle of (PPOA, 2005)

1.2 Statement of the problem

Kenya has operated devolved funds for a number of years, including constituency development funds (CDF) and Local government Transfer Fund (LATF), yet they have not performed to expectation. They are operated in an opaque fashion, subject to multiple abuses, and fall short in the area of public participation. In spite of the hopes Kenyans had when we look at the history of decentralization in Kenya, there is a risk of decentralizing corruption and impunity to the counties unless measures are put in place (Napisa, 2013).

According to Ochieng *et al*, (2013), the management of CDF projects faces varied challenges some of include: The organization structure in managing CDF projects and project identification criteria. Despite the existence of devolved funds internal inefficiencies in their management have made them not to achieve the desired results (Ogolla & Kinyua, 2013). A study by Wanjiru (2008) found out that poverty levels have increased from 56% in 2002 to 60% in 2008, public service delivery has failed, inequalities in resource distribution prevails and funds meant for community use have been routed by corrupt civil servants and politicians. An audit carried out by TISA shows that KShs 242 million of the KShs 1.2 billion allocated to the CDF in the period 2010/ 2011 is either misappropriated or unaccounted for.

Under CDF procurement is guided by the Public Procurement and Disposal Act 2005, Public procurement Disposal Regulation 2006, the Government Financial Management and implementation guidelines. But the CDF Act breaches the constitution. First it has given the MPs double role. On one hand it has given the MPs the power to constitute and convene an executing committee for the fund at the

projects and constituency level. On the other hand the MPs play the oversight and watchdog role through the parliamentary select committee. Hence the constitutional oversight is severely compromised (Ochanda, 2013).

According to Bagaka (2008), the mismatch between projects benefits at the constituency level and the true operating costs of such projects creates three problems. First since the central government bears the cost of operating some CDF – funded projects like clinics its overall operating cost is likely to grow. Second the CDF projects are likely to consume and diminish the central government’s general fund. Lastly, at constituency level, the fiscal effects of one or two police posts or clinics or schools may not be fathomed, though collectively at national level, such financial effects may be costly. This creates fiscal illusion among citizens at the constituency level that local projects cost less when in reality they do not.

Auditor General reveals that the 10th parliament spent CDF cash on campaigns. He revealed that part of the Ksh 17 billion was used to finance political activities when MPs were in their final a year. Members of the last parliament squandered CDF kiddy through fraudulent deals, including political campaigns in their final year in office, the auditor general revealed (Kibet, 2014). According to Ochanda (2013), suggested that over the years, it has emerged that the case problem with CDF is directly attributable to a weak legal framework and near absent of oversight mechanisms that limit citizens’ participation in decision making and project implementation. Members of parliament who are the defacto patrons of CDF have taken advantage of the legal loop holes to use CDF as a political tool. According to Transparency International Report (2005), Kenya has lost more than Ksh 475 billion to shady procurement in shady procurement deals in the last decade and the next decade would be worse if action is not taken. Therefore, this research is addressing the need for the performance of CDF projects to effectively manage public procurement practices through professionalism, supplier performance, capacity building, Information Communication Technology and government policy that seeks to fill that gap. This study focused on CDF projects within Nairobi County, Kiambu

County, Kisumu County, Kericho County, Kisii County and Bungoma County since they were among the counties that had the largest unaccounted for funds (National Taxpayers Association, 2014).

1.3 Research Objectives

The general and specific objectives of the study were as outlined:-

1.3.1 General Objective

The general objective of the study was to evaluate the public procurement practices and performance of selected CDF projects in Kenya.

1.3.2 Specific Objectives

1. To determine how capacity building influence on performance of CDF projects in Kenya.
2. To analyze the effect of supplier relationship on performance of CDF projects in Kenya.
3. To evaluate the effect of procurement ethics on performance of CDF projects in Kenya.
4. To establish the effect of information communication technology on performance of CDF projects in Kenya.
5. To assess the moderating effect of government policy on the relationship between public procurement practices and performance of selected CDF projects in Kenya.

1.4 Research Hypothesis

H₁: Capacity building has a significant effect on performance of CDF projects.

H2: Supplier relationship has a significant effect on performance of CDF projects.

H3: Procurement ethics has a significant effect on performance of CDF projects.

H4: Information communication and technology does not have a significance effect on performance of CDF projects.

1.5 Justification of the Study

This study will benefit various groups. These include the republic of Kenya, policy makers, and procurement professionals. The study will also benefit other researchers and scholars in the field of public procurement practices.

i. Republic of Kenya

Constituency Development Fund is a very important instrument of development especially in rural poor of Kenya. Through CDF various communities in the country will be able to realize and access fundamental services like health, education, infrastructure, energy, security, water, physical and financial, products, and information and better services. These benefits can be realized by the beneficiaries only if effective and proper implementation of strategies. The study will also be beneficial to various CDF committees the government of Kenya by formulating policies for effective implementation of CDF projects to alleviate poverty of the poor masses.

ii. Policy Makers

The policy maker will employ the knowledge for decision making process in the various sectors of the economy. The study will also be beneficial to various CDF committees the government of Kenya by formulating policies for effective implementation of CDF projects to alleviate poverty of the poor masses.

iii. Procurement professionals

The research will provide additional knowledge to the body of procurement professionals and practitioners. This research will also open up new areas for further studies in the use of procurement .

iv. Researchers and Scholars

Researchers and scholars will also benefit from the study as a point of reference for other future studies. The researchers will benefit from this research to gain knowledge on the relationship of CDF project and procurement process.

1.6 Scope of the Study

The study was carried out to evaluate the public procurement practices and performance of selected CDF projects in Kenya, with specific reference to CDF projects in Nairobi County, Kiambu County, Kisumu County, Kericho County, Kisii County and Bungoma County respectively. The study was guided by the following variables; capacity building, supplier relationship, ethics, information communication technology, government policy and legal framework. The study targeted population of 2000 projects in Nairobi County, Kisumu County, Kericho County, Kisii County and Bungoma County respectively; various categories of the respondents comprised of CDF project managers, CDFC and CDDC who are involved in the running and implementation of projects. The choice of these counties was justified by the fact that they were among the counties that reported poor performance in the use of CDF funds from previous research..

1.7 Limitation of the Study

The bureaucracy followed in obtaining permission to undertake research in some organizations hinders researchers. Gathering information from the respondents was a challenge since the project officers felt that they were being investigated and some of the officers felt that this was classified information and therefore hesitated to release the

same to the researcher. To overcome this challenge, researcher presented the research introduction letter from the university and further assured committee management that the findings of the study were to be used strictly for the academic study only. This cleared their fears and enabled the project officers to disclose much of the information sought for the study.

Research purposes, accuracy and automated generation of the findings, accurate collection and successful management and interpretation of data are problems common to all research. Necessitating, the development of an appropriate interactive data base management system. This increased the accuracy and efficiency with which the amount of data collected and processed to reduce research and work load. The questionnaire was also structured to avoid direct questions on bias results. Questions generally addressed the operations of CDF projects in terms of public procurement and the effect of procurement regulation has had on performance of the CDF projects. The study was limited to CDF project and recommends future research to expand the scope to all NGOs. . Another limitation was the respondents whereby only project officers were targeted. Study recommends future research to incorporate committee members; all those involved in the procurement process and service providers.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, the aim is to critique available literature; in addition a conceptual framework will be developed to depict the relationship that exists between the dependent, independent and intervening variables. Research is an inquiry or a critical examination analysis of a given phenomenon employing exhaustive investigation and experimentation following some logical sequence (Mugenda and Mugenda, 2003). Literature review is the systematic identification, location and analysis of documents containing information related to the research problem being investigated. (Mugenda and Mugenda, 2003).

The review is a chapter of a project research, thesis or dissertation, where its purpose is to provide the background and justification for the research undertaken. Research is a scientific and systematic search for pertinent information on specific topic, i.e. the art of scientific investigation. Research comprise defining and redefining problems, formulating hypothesis or suggested solutions, collecting, organizing and evaluating data, making deductions and making inferences leading to conclusions and at carefully testing the conclusions to determine whether they fit to formulating hypothesis (Kothari, 2006).

2.2 Theoretical Review

A theoretical framework is a collection of interrelated concepts. It guides research to determine what things to measure, and what statistical relationships to look for (Defee, Randal, Thomas & Williams, 2010). This section provides the theoretical foundation for this study which is informed by the resource based view theory, theory of socio change, governance and performance theory and supplier relationship management theory.

2.2.1 Resource Based View

According to Grant (2001), strategy has been defined as “the match an organization makes between its internal resources and skills; the opportunities and risks created by its external environment”. Most research into the strategic implication of the firm’s internal environment and resources has been concerned with issues of strategy implementation and analysis of the organization processes through which strategy emerge. The theory proposes a framework for a resource-based approach to strategy formulation which integrates a number of the key themes. This is a five-stage procedure for strategy formulation, analyzing the firm’s resource based; appraising the firm’s capabilities; analyzing the profit earning potential of firm’s resources and capabilities; selecting a strategy; and extending and upgrading the firm’s pool of resources and capabilities.

According to Wessman, (1998), obtaining resources for reform needed for technical assistance to help prepare business plan to describe and implement key objectives of the reform. There is a major concern on the level of professionalism on the government side in the conduct of procurement. There is a shortfall of professional capacity in many countries. This stems from a shortage of experienced procurement professional staff, inadequate training and low pay. It is clear that the development of procurement professionalism is of prime importance in the development of procurement system in the African region. The level of professionalism requirements for officials conducting and authorizing procurement functions is not taken seriously. Quite a number of countries in Africa have no procurement qualifications as are requirement for employment. Instead they provide a minimum civil service qualification to serve as a procurement officer. Some countries show that familiarity and on the job training as the standard measure for one to carry out procurement function. Some argue that there is no need for degree requirement or study background in the field of purchasing or supply and materials management.

For other countries procurement functions were either conducted by professionals or in their absence procurement consultants such as Crown agents. In some situations the authorization of the award solely lies with the hands of political appointees rather than professional. In view of the above, a key element in the procurement reform process will have to be stressed in the initial stages and ongoing of public officials conducting public procurement activities. The need for training is further emphasized, as decentralization takes place there is a tendency untrained and inexperienced people into the procurement field. As an integral part of promoting procurement market is to ensure that procurement training opportunities are made available to the private sector in particular the small and medium enterprises-SMEs. One of the requirements of the legal framework is to ensure that those charged with the responsibility with its implementation are provided with adequate administrative instructions. To improve performance, governments should strive towards creating a competent corps of procurement specialists with high ethical standards. Governments should delegate procurement to these procurement specialists. The competent procurement after training should be transferred to different positions to strengthen procurement performance. None of these will succeed without government support commitment and that of other stakeholders in the procurement process (Wessman, 1998).

2.2.2 Theory of Socio Change

According to Doug Reeler (2008), project themselves introduce the change stimulus and process that matter and are the vehicles that can actually deliver development. Existing indigenous social change processes usually invisible to conventional analysis are seldom acknowledged. Problems are visible to the practitioner- solutions to the problem can be posed as predetermined outcomes. Participatory process in the planning phase of project can get all stakeholders on board, paving way for ownership and sustainability. Unpredictable factors; whether coming from outside or from within the project, the effects of the project work things that to be dealt with along the way. Desired outcomes impacts or results are envisioned several years

down the line can be coded, action planned budgeted and pursued in a logical way. In other words if the planning is good the project should succeed.

2.2.3 Governance and Performance Theory

According to Kaufman (2005), Governance is the traditions and institutions by which authority in a country is exercised for the common good. This includes the process by which those in authority are selected, monitored and replaced (the political dimension); the government's capacity to effectively manage its resources and implement sound policies (the economic dimension); and the respect of citizens and the state for the country's institutions.

According to Everett (2011), the organizations always have to create policies that employees understand how to perform their jobs. Written policies are the most helpful for employees to understand specific policies, including associated procedures. Without written guidelines, it is hard to standardize activities for the benefit of customers. A policy with associated procedures provides steps that employees must follow. Employees know that by following procedures without deviating, they will help the company meet quality standards, producing the best product or service for the customer.

2.2.4 Supplier Performance Measurement Theory

According to Gordon, (2008), supplier performance measurement is a process, not an event. It requires support from stakeholders besides procurement, as supplier performance impacts on firm's success. A SPM process should include key stakeholders who interact with suppliers as well as the suppliers themselves. A SPM program should have the following. The establishment of the CDF program is an expression of continued faith in decentralization and frustration with the poor – indeed fatal – performance of all previous models of decentralization. How well is the legal and organizational framework of the CDF program suited for the realization of development goals in Kenya in the light of theoretical precepts of

decentralization? This question will be answered through, first, an assessment of the organizational framework of the CDF and second, an assessment of the established (Chweya, 2014).

Further based on the provisions provided in the new Act among others, PPOA conducted a study to determine the impact of the new constitution in public procurement in November, 2010 and developed a compendium of proposed amendment to the public procurement and disposal Act, 2005. The process of preparing a parliamentary bill is underway since the end of 2011. According to the fourth schedule of the new constitution, procurement of goods and services has to be looked into and steps taken to reform it, together with the PPD Act which has to be amended by an Act of parliament within four years after the enactment of the constitution, which means by the middle of 2014 (www.ppoa.co.ke).

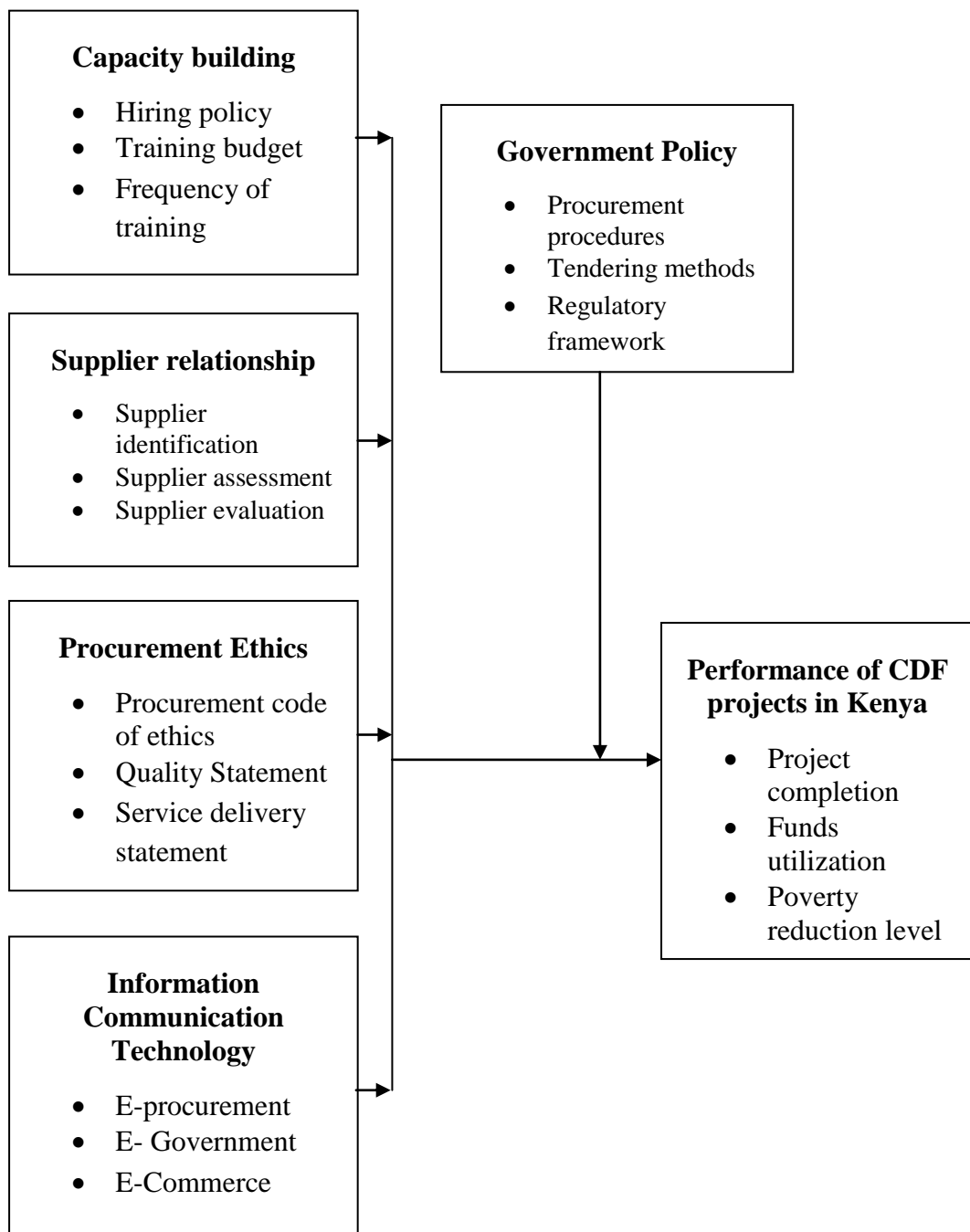
2.2.5 Supplier Relationship Management Theory

One theory cannot explain all the SRM research perspectives, such as; Transactional Cost Economies (TCE) Theory –Cox, (1996), argues that all the discussions on the proper form of the relationship, it is the firm and its external environment must include the theory of TCE, because it presents the factor ,which determine the internal and external boundaries of the firm. The research based View (RBV), states that companies in the same industry may select completely different organizational structures but be equally successful. The Resource Dependence Perspective (RDP) Theory, states that to acquire resources organizations must interact with others who control these resources.

2.3 Conceptual Framework

The conceptual framework refers to a pictorial representation that shows the relationship between independent variables and the dependent variable. It is whereby the researcher conceptualizes the relationship between variables under study and shows the relationship graphically or diagrammatically. The conceptual framework is the foundation on which the entire research project is based. A conceptual

framework is a logically developed, described and elaborated network of interrelationships among the variables deemed to be integral to the dynamics of the situation being investigated, describes the nature and direction of the relations, and describes the nature and direction of the relationships. It is therefore a conceptual model of how one makes logical sense of the relationships among several factors that have been identified as important to the problem (Sekaran, 2003).



Independent Variables

Moderating variable Dependent Variable

Figure 2.1: Conceptual framework

2.3.1 Capacity Building

Capacity building seeks to improve the performance of work units, departments, and the whole organization. Organizational capacity building is a system-wide, planned effort to increase organizational performance through purposeful reflection, planning, and action. In particular, capacity building looks in depth at where an organization stands in comparison to where it hopes to be in the future, and develops the skills and resources to get there (Theisohn & Lopes, 2013). There is a major concern on the level of professionalism on the government side in the conduct of procurement. There is a shortfall of professional capacity in many countries. This stems from a shortage of experienced procurement professional staff, inadequate training and low pay. It is clear that the development of procurement professionalism is of prime importance in the development of procurement system in the African region. The level of professionalism requirements for officials conducting and authorizing procurement functions is not taken seriously. Quite a number of countries in Africa have no procurement qualifications as are requirement for employment. Instead they provide a minimum civil service qualification to serve as a procurement officer. Some countries show that familiarity and on the job training as the standard measure for one to carry out procurement function. Some argue that there is no need for degree requirement or study background in the field of purchasing or supply and materials management (OECD, 2006).

Better use of budget resources allocated to public investments and public procurement conditions, including the control of corruption, are imperative for successful economic reform. In the African region, the total amount of public procurement contracts awarded amounted to more than US\$ 50 billion (Omar ADB, 1998). The African regions 'negative image is tested by the international community, to be deprived of investment. Public procurement is a major development mechanism, the potential which has not been fully tapped. ITC has set up a dynamic program on international procurement, which promotes better procurement practices for a successful purchasing and supply process. Market

environment: market condition a great influence on public procurement professionals to maximize competition. Thus, before embarking on sourcing practice, procurement professionals must conduct market analysis (Omar, 1998).

2.3.2 Supplier Relationship

According to Burt, Dobler and Starling (2003), the three main buyer– supplier relationship are transactional, collaborative and alliances. Transactional relationships are the most common and the most basic type of buyer/supplier relationship. This relationship is referred to as an arm’s- length relationship where neither party is concerned about the other party’s well-being. There is very little trust involved in this relationship and it could be a one-time transaction between the buyer and supplier. There are rarely any big savings made in this kind of relationship and it usually takes very little time and effort by either party to go through with an agreement.

Dalip *et al*, (2007) observed a sub- optimal productivity level in the value created by supplier relationship between suppliers and buyers. Fundamentally, sellers and buyers have entered into relationship with a predetermined set of assumptions and these assumptions drive the wrong behavior of on both sides. When relations begin and managed in such an antagonistic manner, value is lost. They believe that most sourcing /supply chain professionals have the wrong end point in mind and therefore end up leaving a significant amount of unrealized value on the idle. When the end point is best contrast supported by well-defined SLAS the behavior from both sides is defined and contrasted by the contract. The contract should be nothing but a step along the way to establishing mutual value creating relationships where both parties are focused on generating a significant amount of value for each other. Some of the best value creating activities for an organization are capable of being accomplished after the contract has been signed by starting with a focus in a mutually of interest. Both sides the buyer and supplier organizations need to cognized of others mutually

of interest so that the benefits are realized from the beginning and throughout the relationship.

Hannon (2004) asserted that it is highly recommended that one forge a strong, long term relationship with the suppliers, so that over time they learn to meet the precise company standards and that better deals are made between their company and yours. Of course, know that there are many options for procurement contracts that one can work with, depending on the company's needs: there are traditional, long-term; renewable contracts; electronic procurement (via the internet); and frame work agreement, among many other.

According to Schapper *et al* (2006), purchasing needs a rise in a variety of contexts. In some cases, the company unit with a purchasing need may wish to engage prospective suppliers in preliminary discussions. In other cases, the company unit may decide to ask purchasing to deal with prospective suppliers. In no case should a company unit commit the company to a purchase without involving the appropriate purchase department.) Approved purchasing must be used in every case, to ensure that the supplier is selected objectively. Frequently, competitive bids will be used in order to obtain best value. Approved contracts, developed by purchasing and the legal Department, including approved templates will be used wherever possible to ensure that the company's (1) interests are fully protected and (2) purchasing initiatives are appropriately implemented. Forms provided by suppliers should be used only in exceptional circumstances and only with the prior approval of purchasing or the legal department.

2.3.3 Procurement Ethics

Ethics are the moral principles or values that guide officials in all aspects of their work. Ethical behavior encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust and respect. Ethical behavior includes avoiding conflicts of interest, and not making improper use of an individual's position (Wee 2002).

Ethical behavior supports openness and accountability in procurement with the result that suppliers have confidence in participating in the Government marketplace. It also reduces the cost of managing risks and enhance trust in public administration. Ethical behavior is important in public procurement as it involves the expenditure of public money, and is subject to public scrutiny. Public officials should always behave ethically and fairly in their business undertakings. Ethical behavior supports openness and accountability in a procurement process and gives suppliers confidence to participate in the Government marketplace. Ethical behavior can also reduce the cost of managing risks associated with fraud, theft, corruption, and other improper behavior; and enhance confidence in public administration (Karanja & Mugo, 2010).

Ethical behavior includes avoiding conflicts of interest, and not making improper use of an individual's position. Ethical behavior is important in public procurement as it involves the expenditure of public money, and is subject to public scrutiny. Public officials should always behave ethically and fairly, including in their business undertakings. Ethical behavior supports openness and accountability in a procurement process and gives suppliers confidence to participate in the Government market place. Ethical behavior can also reduce the cost of managing risks associated with fraud, theft, corruption, and other improper behavior; and enhance confidence in public administration (Wee, 2002).

A procurement process that conforms to the expected standards of integrity, uprightness and honesty is one in which clear procedures are consistent with Government policies and legislation are established, understood and followed from the outset. These procedures need to consider the legitimate interests of suppliers and ensure that all potential suppliers are treated equitably (Wee 2002). An important and effective way to maintain ethics awareness in agencies is to provide training for employees (Amos & Weathington, 2008). Ethics training and seminars can be provided, along with training in more specific areas, such as procurement procedures, record keeping, records management, and accountability and

administrative law. Regular reviews or audits of procurement processes can be done to ensure probity is being considered and achieved (Amos & Weathington, 2008).

Procurement remains to be a key sector in Kenya, which facilitates the acquisition and disposal of goods and services, thereby leading to smooth running of various institutions, both public and private. Therefore, with respect to green procurement process executed on the basis of ethical codes of conduct, reference is made to ethical purchasing, ethical procurement and ethical sourcing. Ethical purchasing issued here as generic term to include sourcing, purchasing and procurement. It is the acquisition of goods and services through supply chains and sub-contractors in a responsible manner, with consideration of the conditions under which goods and services are made and delivered and a strategy that promotes improvements. When people or business deal with contracting as a means of Procurement for their company, there may be issues regarding who the company will deal with. Procurement process conducted correctly in ethical way can be a valuable tool when combating this problem (Fisher & Lovell, 2009).

One of the requirements of the legal framework is to ensure that those charged with the responsibility with its implementation are provided with adequate administrative instructions. To improve performance, governments should strive towards creating a competent corps of procurement specialists with high ethical standards. Governments should delegate procurement to these procurement specialists. The competent procurement after training should be transferred to different positions to strengthen procurement performance. None of these will succeed without government support commitment and that of other stakeholders in the procurement process governance in Government (Wessman, 1998).

2.3.4 Information Communication Technology

According to Hannon (2004) through technology, one can cost gain advantage through pioneering lower cost products design and creating low-cost ways to perform needed operations, thus supporting differentiation by pioneering unique or services

that increase buyer value and thus command premium prices. And in some cases technology can completely the values of competition within an industry. An organization may benefit by developing a new technology within the company by providing an advantage over competitors. Adopting a new technology typically requires changes in the ways jobs are designed. The task is redefined to fit people to the demands of the technology to maximize the technology's operations but often fails to maximize the total productivity because it ignores the human parts of the equations.

According to Neef, D. (2001), technology is probably one of the most widely latest precisely defined terms in business and it is something that affects businesses in all forms of activities. Information technology does make extra-ordinary contribution to organization productivity and also requires (MTEF) medium term expenditure frameworks. Nevertheless the same exciting technology produces negative consequences, for example, intensive use of information reformats customer services as follows: the manager or employees become computer goof's, they spend so much time attempting new computer routines and accessing information of questionable value that they neglect key aspect of customer services. A problem of considerable magnitude comes from the deterioration in customer service that sometimes accompanies information technology.

According to Bateman (2012), he explains that conflicts in managing systems and processes arise when they do not deliver to users what they are expected to deliver. Users expect an appropriate design and full support, if either of these are lacking, they are rightly angry that is, their design does not take sufficient account of user needs and is not user friendly. They no longer serve their original purpose. The manager pays insufficient attention to developing then to meet new demands. Support from technicians is inadequate thereby relying heavily on a computer system which is prone to failures. The reason why businesses should want to develop information systems is because it improves customer service. Computer systems can

often allow organizations to serve customers more quickly or to provide them with additional services.

E-procurement is the business-to-business purchase and sale of goods and services over the Internet. In govt. a preliminary review by the procurement directorate concludes that no existing business models completely suitable for use, further review recognized an approach is requires for e procurement in govt. Where procurement process reform and implementation of new technologies for procurement could take place in a coordinated manner. From the outset the government recognizes that e -procurement is an end to end business solution, not a technical solution. As such the government e procurement program me takes a broad view defining e procurement as a business service known locally as little e', big p'' (Aberdeen Group, 2005).

E- Procurement lacks an overarching definition and encompasses a wide range of business activities. For example, Chopra *et al* (2010), state that E- procurement remains a first generation concept aimed at buyers, which should progress into E-sourcing and ultimately into E- collaboration. E-collaboration allows customers and supplier to increase coordination through internet in terms of inventory management, demand management and production planning (Lee & Whang, 2009). This facilitates the so called frictionless commerce paradigm (Brynjolfsson & Smith, 2012). The benefits of E- Procurement in a B2B setting are significant (Min and Galle, 2009). Indeed it has been claimed that E-procurement has become the catalyst that allows companies to finally integrate their supply chains from end- end, from supplier to the end user, with shared pricing, availability and performance data that allows buyers and suppliers to work to optimum and mutually beneficial prices and schedules (Neef, 2011).

The benefits of e-procurement include but are not limited to increased access to supply market, shorter procurement process time, improved audit process and reduced total acquisition costs (Chaffey, 2009). Other factors that might contribute to

benefits of using e-procurement include the state of internet connectivity in Kenya, the existing legal framework and government policies that guide the use of e-procurement in Kenya. Likewise, implementation of e-procurement reduces the cost of processing purchasing requisitions, together with individualist buying. Price reductions as a result of demand aggregations, better leverage during negotiations, increased visibility, compliance and improved information management as some of the benefits accrued (Croom & Brandon-Jones, 2007).

2.3.5 Government Policy

Governance is the traditions and institutions by which authority in a country is exercised for the common good. This Includes the process by which those in authority are selected, monitored and replaced (the political dimension); the government's capacity to effectively manage its resources and implement sound policies (the economic dimension); and the respect of citizens and the state for the country's institutions (the Institutional respect dimension) (Kaufman, 2005).

In the government procurement, public procurement is one of the many functions and the procurement system can be prescribed in the national constitution or determined through procurement laws regulations and through policy and budget decisions by legislators and the executive branch. It is important to note that public procurement system is mainstreamed and well integrated into the public sector governance system (World Bank, 2006).

According to Hannon (2004), companies also continually update their written policies and procedures as part of continuous improvement. For example, each manager notes changes to policies or steps in procedures on the area of company operations. This information must also be referred to other personnel in the organization, such as human resources people, who update position description and trainers who update training programs. Procedural policies might also be used to help companies like factories. By studying the effectiveness of the steps in a procedure in

operating manual, or even a flowchart, managers and workers can identify a problem. They can also share routines that work best with other parts of the company and the best practices with other companies in the same industry. Companies also like to address problems with policies and procedures, such as gaps in oversight that result in faulty products. According to Lavassani (2008), giving the right attention to the most important policies and procedures is a bottom line for managers. For example, managers can study the scope of policies and procedures and decide the importance of each of managerial responsibility. They can then adjust their work schedule to ensure they devote enough time to the most important duties.

The policy of organization is to obtain the best value for the materials, goods and services that it purchases from and to maintain the highest ethical standards in dealing with its suppliers. Values include price, Quality and services. Purchased goods and services are the largest expense area. Therefore, it is imperative that they use its purchasing leverage to ensure that goods and services are procured at the lowest cost, highest quality and optimal services, including delivery. Purchasing departments are the sole authorized agencies of its subsidiaries for the procurement of materials, goods and services. All buying, including commitments to buy and related activities, will be handled by the purchasing department (Fitzgerald, 2007).

According to Hunja (2003), procurement policies are important for developing countries: reducing poverty, improve health, education for proper purchase of goods and services and better infrastructure. Efficient public procurement policies and procedures contribute towards the sound management of public expenditure. The manner in which a state implements its public procurement practices and policies has implications for achievement of such objectives. Effective and efficient procurement policies are important for assessing the performance of governments. Another reason why procurement is attracting attention is that, it is a condition for firms to access to foreign markets. International and trade negotiations – bilateral, regional or

multilateral are mechanism through which governments address the terms upon which foreign firms can compete in public procurement markets.

2.3.6 Performance of CDF Projects

Performance refers to “the manner in which people do their jobs” (Swanson, 1994, p. 7). Scholars use the concept to show a combination of employee’s feelings towards the different facets of performance such as the nature of the work itself, level of pay, promotion opportunities and satisfaction with co-workers. Most scholars tend to believe that performance is the carrying out of an activity with great skill (Rahman & Bullok, 2005).

Performance can be viewed as the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost and speed (Mclaughlin, 2002). In contract, performance is deemed to be the fulfillment of an obligation, in a manner that releases the performer from all liabilities under the contract, (<http://ardictionary.com/performance>). It is the act of performing; accomplishment; representation by action; as, the performance of an undertaking of a duty (<http://businessdictionary.com>).

2.4 Empirical Literature

This section reviews literature from prior scholars regarding the effect of public procurement practices on performance of CDF projects in Kenya. Specifically, this section reviews the effect of capacity building, supplier relationship, procurement ethics, information communication technology and government policy on performance of CDF projects in Kenya.

2.4.1 Capacity Building

Chege (2013) sought to examine the influence of training and development strategy, networking skills strategy, attitude towards gender equality strategy and leadership strategy on performance and growth of women owned SMES. In this study the

population of the study was grounded on the entrepreneurship theory. The study employed descriptive survey research design. The population of the study was women owning Small and Medium Enterprises (SMEs) at Gikomba Market in Nairobi County. The researcher employed proportionate, simple random sampling techniques in identifying 357 respondents to be included in the sample. Observation and interviews methods of data collection were employed to gather data. Data analysis involved the use of qualitative techniques in derivation of explanations and inferences from the findings through logical descriptions, and quantitative analysis through descriptive statistics.

The study by Chege (2013) concluded that majority of the women owned SMEs in Gikomba Market were run on trial and error basis as majority of the owners had never received training and development on entrepreneurship. Training on entrepreneurship was critical in enhancing financial performance and growth of women owned SMEs. However, the fact that majority of the SMEs owners had not been trained on entrepreneurship; they lacked expertise. The networking skills development strategy influenced performance and growth of women owned SMES to a great extent. The networking skills development strategy was a key strategy required to enhance the performance and growth of women owned SMES.

Ojukuku (2014) assessed the effect of capacity building and manpower development activities on the staff performance in selected business organizations in Nigeria. Data was gathered from 128 managers of randomly selected firms in South western Nigeria, with the aid of a questionnaire, while descriptive and inferential statistical tools were applied for data analysis. Findings revealed a significant positive relationship between capacity building and staff performance in the selected organizations. It was concluded that capacity building and manpower development activities result in new knowledge, skills and management capabilities, and should therefore be the focus of greater attention and efforts by organizations.

2.4.2 Supplier Relationship

Krause et al. (2007) found that commitment of the buying firm to long-term relationships with major suppliers, shared goals and values with suppliers, and the involvement in supplier development initiatives were positively associated with the buying firm competitive performance in US automotive and electronics industries. Langfield-Smith and Greenwood (1998) concluded based on a case study on Toyota Australia that the effectiveness of the supplier-buyer relationship was influenced by several factors, such as communication and information sharing, learning and the involvement of workers in the buying firm's programs, and similarities in technologies and industry.

Scannell *et al.* (2000) investigated supply chain management efforts with first tier suppliers in 57 automotive firms in the US. Using a survey questionnaire; they found that first tier supplier development is associated with innovation and cost measures, but not associated with flexibility and quality measures. They also found that the use of JIT purchasing by first-tier suppliers is strongly associated with their performance measures of flexibility, slightly associated with quality and cost, and not associated with innovation. They called for further research with larger sample in order to improve the generalizability of the results. Shin, Collier & Wilson (2000) investigated supply management orientation (SMO) on supplier's and buyer's performances in 176 automotive firms in the US. They measured SMO in terms of long-term relationships with suppliers, supplier participation in new product development, limited number of suppliers, and selecting suppliers based on quality considerations. They found that SMO positively affected supplier's and buyer's performance in terms of quality and delivery. However, they found that SMO did not affect buyer's performance in terms of cost and flexibility.

MacDuffie and Helper (2007) discussed three main types of trust; Competence trust: where supplier believes that the buying firm is able to perform what promised to perform. Contractual trust: a belief that the buying firm will continue its contracts.

And Goodwill trust: a belief that the buying firm will avoid taking unfair advantage, and will always act on mutual benefit basis. Moreover, Kumar (2005) and Heikkila (2002) pointed to two types of trust that are very close to the above; Trust in partner's reliability: the trust that the other firm is reliable to do what it said. And Trust in the partner's benevolence: a belief that the other firm is interested in the partner's firm benefit and will not take actions that may unfavorably influence it.

Trust between the buying firm and its suppliers would improve cooperation, enhance satisfaction, reduce conflicts, facilitate information exchange, and lead to long-term relationships (Morgan & Hunt, 1994; Doney & Cannon, 1997). Trust was considered one major factor for the superior performance of Japanese firms compared to British firms (Sako, 1992). Trust building should not be the concern of the buying firm only, Doney and Cannon (1997) concluded that trust is also essential and advantageous to the supplier firm, which has to make efforts to establish, extend, and retain the buying firm trust, especially when such trust can lead to more benefits for the supplier. Although trust building is a costly, difficult, and time consuming procedure, it leads to strong, successful, and long-term buyer-seller relationships.

Burton (1988) indicated that suppliers account for approximately 80% of lead-time problems. In lean production environment, JIT purchasing requires the supplier firms to deliver frequent supplies in small lots. This would require perfect synchronization between the supplier and the buyer, which can be achieved by integrating their production planning and control systems (De Toni & Nassimbeni, 2000). Heikkila (2002) pointed to reducing lead time as an essential approach to create responsive supply chain and avoid uncertainty. Hernandez (1993) pointed to the crucial role of reducing lead time on the ability of the supplier to become lean and responsive. He further indicated that supplier lead time reduction minimizes the potential problem of shifting inventories to the supplier firm and eliminates quality problems associated with holding buffer inventories.

Handfield et al. (1999) suggested that suppliers have to be incorporated in NPD, especially when advanced technologies are involved and the firm has little or no expertise in. Additionally, including suppliers in NPD and sharing technical information with them is valuable when advanced and complex technologies are applied (Petersen et al., 2003). Handfield et al. (1999) further indicated that when suppliers have familiarity with the customer firm's processes and goals, they can prepare in advance the necessary requirements for future product development efforts. Ragatz et al. (1997) found that supplier involvement positively affected the success of NPD when the following factors were met: top management commitment, learning and training sharing, agreed upon performance measures, belief in supplier's qualifications, risk/reward sharing, and development of trust aspects. Handfield et al. (1999) found that firms who involved suppliers in their product development teams achieved considerable improvements compared to those who didn't. They also concluded that understanding suppliers' knowledge in design and their technological capabilities would facilitate their integration in NPD. These findings were based on a survey of 134 firms worldwide and 17 case studies. Heikkila and Nassimbeni (2000) summarized some benefits of including suppliers in NPD process such as reduce development cost, early available prototypes, considering supplier capabilities in the design, reduce technical changes, increase quality, reduce development time, and increase product innovativeness. Echtelt et al. (2008) further indicated that supplier involvement in NPD efforts allow for establishing learning routines and matching capabilities of both parties.

Lascelles and Dale (1990) indicated that buying firms should treat their suppliers as partners. Handfield and Bechtel (2002) argued that investments in supplier relationships will reduce risk; by involving in activities that is usually regarded in the area of the other firm. Vonderembse and Tracey (1999) indicated that supplier partnership enables both parties to improve decision making process, enhance knowledge sharing, advance communication, and improve the overall performance of both parties.

MacDuffie and Helper (1997) argued that the buying firm will gain from efforts done to improve the supplier performance, as both will share the productivity benefits. Also, Technical assistance provided to suppliers enables them to deliver frequent and JIT supply of materials, improves quality, reliability, and delivery by suppliers (Langfield-Smith & Greenwood, 1998; Carr & Pearson, 1999). Furthermore, when the buying firm provides technical assistance to suppliers, the performance dimensions of the buying firm will improve in terms of cost, quality, productivity, and design (Lee & Ansari, 1985). Supplier development Results of reduced costs, improved communication, risk sharing, and improved problem solving (Quayle, 2000). Cooper and Gardner (1993) empirically found that supplier partnership is associated with higher competitive performance in terms of cost, quality, innovation, and flexibility performance. Also, partnership relations between the buyer and suppliers have been proved to positively affect financial performance of the buyer firm (Martine & Grbac, 2003; Johnston et al., 2004).

According to Chan, Kim and Yoon (2003), the traditional performance system inhibits the improvement of critical dimensions such as quality, flexibility and delivery. For a performance measurement system to be regarded as a useful management process it should act as a mechanism that enables assessment to be made, provides useful information and detects problems, allows judgment against certain pre-determined criteria to be performed and more importantly, the systems should be reviewed and updated as an ongoing process.

2.4.3 Procurement Ethics

According to Elshleman (2002), the process of procurement, or the purchase of goods and services, is the process that offers the most potential for ethical abuses or violations. Good procurement management practices should identify areas of potential ethics pitfalls, and address them ahead of times employees know what practices to avoid. Accountability is government's obligation to demonstrate effectiveness in carrying out goals and producing the types of services that the public

wants and needs (Segal and Summers2002). Lack of accountability creates opportunities for corruption. Brinkerhoff (2004) identifies three key components of accountability, including theme assume of goals and results, the justification or explanation of those results to internal or external monitors and punishment or sanctions for non-performance or corrupt behavior.

According to field work interviews, many of the Kenya government services and supplies are contracted to firms and organizations that are in fact owned by (or demonstrate other obvious conflict of interest connections with) prominent civil servants or politicians, often without any declaration of such direct or indirect ownership. Many service providers and suppliers are organized in informal cartels that are both power land difficult to dislodge and those outside the cartels are more preoccupied with finding ways of getting inside so that they too can financially benefit, rather than exposing manipulation and unethical practices of such cartels (World Bank, 2006).

Velasquez (2002) emphasizes on procurement ethics being important in procurement for the following reasons: procurement staffs are the representatives of their organization in dealing with suppliers, sound ethical conduct in dealing with suppliers is essential to the creation of long-term relationships and the establishment of supplier good will, it is impossible to claim professional status for procurement without reference to a consideration of its ethical aspects.

Wanyonyi and Muturi (2015) sought to evaluate the factors affecting the performance of the procurement function among public technical training institutions in Kisumu County Kenya. Primary data was collected by using questionnaires. Data was analyzed using quantitative analysis by employing both descriptive and inferential statistics. The study concludes that information technology, ethics and staff competency have a positive effect on performance of the procurement function in technical training institutions. It therefore recommends that the use of information technology in the two institutions be enhanced so as to deliver success in the

performance of procurement functions, competence of employees should be promoted in both institutions and work ethics being a fundamental in the success of any organizations performance should be observed in all procurement departments.

2.4.4 Information Communication Technology

Williams and Hardy (2006) conducted a research seeking to identify the drivers of e-procurement in Australian organizations with the aim of understanding the resultant effect of the benefits and challenges that arise from the adoption of e-procurement practice. The study noted the following benefits of implementing e-procurement; superior supply chain integration, enhanced sourcing and lower employee overhead. The authors also identified software integration issues as the major challenge arising from the implementation of e-procurement and these issues include; the intricacy of aligning organizational culture with the new procurement systems, coordinating the inter-organizational information and lastly, the complexity of catalogue integration. Croom and Brandon-Jones (2007) researched the effects of e-procurement gathered from experiences of implementations in the public sector in the United Kingdom covering three broad aspects which include changes to governance structures, changes to total cost of acquisition and lastly, changes to organizational characteristics.

Giunipero *et al* (2000) conducted a research to determine the types of e-procurement applications that are employed by organizations in the United States. They investigated the sectors that have adopted applications which integrate the entire supply chain against those that have single process e-procurement applications. This provided information regarding firms that use e-procurement tools that integrate supply chain activities across multiple functions and/or across different organizations.

Edward *et al* (2011) investigated the extent of the usage of e-procurement among the professionals from sectors such as government, private companies and consultancies. They found that seventeen percent of the organizations use e-procurement and that

adoption was affected by the size of the organizations. The authors further identified that medium-sized organizations which have employed between 21-50 people are the ones that constitute the highest users of e-procurement within the construction industry in the United Kingdom. The authors also noted that the very small companies were discouraged from implementing e-procurement due to software cost.

Mwangi (2013) examined the factors that hamper the adoption of e-procurement in Kenyan telecommunication industry with the objective of ascertaining how the infrastructural and technological cost, knowledge of e-procurement and management attitudes affect the implementation of e-procurement. The research established that there is a strong relationship between the implementation of e-procurement and all these variables. The author states that costs of technology being an important factor include outlay for software and infrastructure development, cost of training staff as well as the maintenance of software.

Owili (2013) carried a study on how transaction costs are affected by the implementation of e-procurement among the NGOs in Kenya. The research concluded that there is correlation between the implementation of e-procurement and transaction cost; this implies that NGOs which have implemented e-procurement have realized reduced costs for various procurement processes. In view of the research findings, the author encourages NGOs to adopt e-procurement so as to benefit from the reduced transaction costs.

2.4.5 Government Policy

According to Ahmed Shafiqul Huque (2010), accountability and governance: strengthening extra-bureaucratic mechanism in Bangladesh- the research findings illustrated that “central to good governance and a special aspect of the rule of law is the efficient and accountable management of public finances” (World Bank, 2002, p. xi). At the community level, it is also important to give poor groups choice as well as the resources to purchase technical assistance from any provider rather than accepting it from the government. Fiscal discipline can be imposed by setting limits

and reducing subsidies over time. Contractor accountability is ensured when poor people decide whether the services were delivered as contracted and whether the contractor should be paid or not paid. When poor people can hold providers of public service accountable, it will be possible to shift the location of control and power in their favour.

Barasa (2014) sought to assess the state of public projects implementation in Kenya and to bring to therefore the key factors that underlie their successful implementation process. The principle question to be addressed by this study is ‘what procurement practices are responsible for projects failure in the Kenyan public sector?’ To answer this question and to achieve the primary objective of this study, the researcher focuses on the situation at Kenya Civil Aviation Authority (KCAA) as a case study. KCAA has been selected for this study because it is one of the major public institutions with a significant portfolio of public projects, some of which have succeeded whereas others have failed. The Corporation has a staff population of 650 personnel, out of which the researcher seeks to survey 10% through questionnaires, interviews and individual discussions, cutting across all the levels of management. A presentation of the analyzed data and the analysis techniques are also provided. The researcher has also provided a literature review, under chapter two, of all the variables of interest which have been distinctly classified as either dependent of independent. These include such factors as: Procurement Planning, Contract Monitoring & Control, Choice of Procurement Procedure; and lastly but not least Communication. The study demonstrates whether these practices indeed affect public projects implementation at KCAA and therefore in Kenya at large.

Achuora, Arasa and Ochriri (2010) examined the factors that affect effectiveness of public procurement audits for constituency development funds (CDF) in Kenya. The study findings indicate that technical audit factors have greatest influence on effectiveness of public procurement audit, followed by regulatory framework, client related factors and auditor’s professional qualities respectively. The study recommends that a summarized regulatory framework for CDF procurement

management be prepared by policy makers, more public auditors be trained on public procurement audit and the CDF managers be exposed to audit as a positive management tool.

The World Bank (2006) postulates that prudent management of public procurement systems has been identified a very important to accelerated national development. For this reason, successive governments have realized that reformation in the procurement laws is a justification for judicious use of the taxpayer's money. Thus procurement regimes are strongly regulated and implemented to ensure attainment of value for money through transparency, fairness, cost -effectiveness, efficiency and promotion of competitive local industry. Major or complex contracts that were financed by the government through architectural consultancy services and project supervision were assigned to the Architectural and Engineering Services Limited (AESL) on single basis without recourse to fair. These uncoordinated and unregulated systems of procurement were the consequences of poor procurement situation leading to the much acclaimed reform of public procurement practices to instill trust and confidence in the public and the donor community.

Sementelli (2010) mentions that government policy tends to rely heavily on the professions of law, economics and operations management, particularly at the micro level. Government policy is a route to sales for the private sector to some of the biggest clients in the world, and has an impact on domestic economies and international trade. Clear government policies and transparent and efficient actions can foster and strengthen procurement policies so, from this point of view; public procurement is clearly a major economic driver and can be used to influence critical economic conditions.

Lenders and Pearson (2003) argues that purchasing and material management requires a wide range of standard operating procedure to deal with the normal daily tasks. The higher the volume in quantities and funds involved the higher the need to sound system. They also point out that procurement in the public institutions is

regulated by laws and statutes. The public buyer must observe the legal structure governing procurement. The ultimate responsibility is to some legislative body and when the question of anything or interpretation of legal requirements on procurement arises, they will be referred to its legal affairs of the government agent.

Burt *et al.*, (2010) points out that right rule through statutes, exclusive orders, regulation policies and procedures, size, purchasing power and sovereignty gave the skilled government acquisition or supply management official great power. He further stated that at the state and local government level, state statutes are often implemented in codes of regulation.

Murray (2008) highlights why political procurement is important; he explains that the public sector works within a narrow framework of democratic governance strategy and management, where local people exercise their right to determine how and by whom they should be governed through the ballot box. He continues further to explain that, in turn, those who are elected not only have a representative advocacy role but are democratically accountable to their electorate for their decisions.

Lysons (2006) asserts that the government sets the rules of conduct and enforces them to control and regulate the conduct of people to protect their property and contractual rights with an access to security justice. The government seeks more socially acceptable objectives some of them being to achieve acceptable standards of equality, to protect individuals from others and from themselves not forgetting to stabilize the economy against income and price level fluctuation. Government interventions usually involve both direct cost of administration and indirect cost associated with interface with price mechanism. Policies try to focus everyone in an organization to a common goal priority by translating co-operate strategies into measurable objectives, throughout the various functions and levels of the organization. As everyone in the organization understands the strategic plan and is

able to drive several goals from the plan and determines who each goal lays into their own deadly activities.

Siringi (2008) reviewed the role of central government procurement in the light of its objectives for efficiency, modernization and competitiveness in the short and medium term. He found out that government departments were not communicating well with each other hence inconsistency and inefficiency in procurement activities.

2.4.6 Performance of CDF Projects in Kenya

Despite the existence of the devolved funds, internal inefficiencies in their management have made them not to achieve the desired results. For instance, Wanjiru (2008) documents that poverty levels have increased from 56% in 2002 to 60% in 2008, public service delivery has failed, inequalities in resource distribution prevails and funds meant for community use have been looted by corrupt civil servants and politicians. A new audit carried out by the National Taxpayers Association (NTA) reveals that Sh242 million of the Sh1.2 billion allocated to the Development Fund (CDF) in the period 2010/2011 is either misappropriated or unaccounted for (Matata, 2011).

The CDF Accountability Project undertook some investigations and learnt of various incidences where voter anger over MP non-performance or poor performance in spending CDF funds likely cost the politician the re-election. The report cites statistics from the Electoral Commission of Kenya (ECK) which indicate that 60% of the legislators from the 9th parliament did not return after the 2007 elections.

As a result of low levels of public participation and tremendous power accorded to the MP in CDF management, the project identification and prioritization processes are not resulting in outcomes which meet the CDF's policy goals of pro-poor targeting, redistribution and grassroots development. The NACCSC report in Kenya found the uneven distribution of projects was a problem: projects were not targeting the right beneficiaries and projects were not reaching all community members. 78%

of respondents reporting funding of non-priority projects, such as white elephants which remain un-utilized and projects which do not benefit the most poor and needy (NACCSC, 2008).

A common concern raised in Kenya, Uganda and Pakistan among others, is that CDF processes do not adequately protect against the duplication of development projects. MPs eager to garner political support may initiate ‘new’ projects under their name which are essentially duplications of their predecessor’s work. In Kenya the District Project Committees receive the list of projects from their constituencies and are responsible for ensuring there is no duplication. However the Kenyan CDF itself has acknowledged that the failure to follow planning norms has led to projects being implemented close together. Apart from duplication within the CDF scheme, there is also the danger of duplication of projects funded by other decentralization schemes (i.e. across national programmes) such as the Local Authority Transfer Fund (LATF) (Juma, 2009).

A coordinating mechanism at local level is required to monitor and streamline the multiple sources of funding flowing to grassroots level. In some cases, the CDF might be used to contribute to the budget of an existing project for which there are insufficient funds available. The Joint Memo by SPAN in Kenya recognized this need when it included broader recommendations to set up institutions to coordinate decentralization schemes at local level. Issues of corruption are a common thread linking all CDF schemes, backed by research in many areas. Beyond anecdotal evidence, there is research from Kenya that clearly documents the corruption present in CDF operation in many constituencies. Public surveys have also recorded constituent perceptions of corruption on the part of CDF management. The issue is also acknowledged by the Government of Kenya which identified corruption as one of the key problems to be investigated by the Task Force (Kagira, 2009).

Corruption is a result of other weaknesses in CDF management, such as lack of reporting, weak contract management, poor oversight—because it creates an

enabling environment for abuse. The corruption is also enabled by the failure of strong systems for redress in the CDF, due to weak institutions and the lack of political will. The CDF Accountability Project reports that despite numerous complaints, only three cases of CDF corruption have been prosecuted in Kenya over past six years (CDF Insight, 2009).

Kinyua and Ogollah (2013) influence of procurement process on performance of Constituency Development Fund projects in Marakwet East Constituency in Kenya. Secondary data was collected from Marakwet East Constituency reports, Magazines, and other relevant materials. Responses in the questionnaires was then tabulated, coded and processed by use of a computer programme Statistical package for Social Science (SPSS) version 21 to analyze the data. Descriptive statistics such as mean and standard deviation were used. Tables, pie charts, and graphs were used to present responses and facilitate comparison. The study found out that majority of the respondents indicated that accountability of management influence procurement process to a very high extent .The study concludes that accountability of management influence procurement process and that management accountability influence the procurement process to a very high extent. Finally the study recommends that procurement practice should be responsive to aspirations, expectations and needs of the target society.

Wachuru and Amuhaya (2013) sought to examine the role of risk management practices in the management of CDF projects to establish if such projects apply the PMBOK® (2000) recommended techniques of mitigating project risk that limit their success. The study focused on CDF projects in JUJA constituency in Kenya. The target population was 239 projects in Juja constituency selected on the criteria of budget allocation of Ksh 200,000 and conducted between the periods of 2007- 2009. A representative sample size of 24 projects was picked using simple random sampling technique. The method used to gather data was researcher administered questionnaire on the PMC team leader who controlled the day to day project

activities. An observation of each project was done to ascertain the actual status of the project.

Wachuru and Amuhaya (2013) analyzed data both qualitatively and quantitatively using statistical representation such as percentages, mean score, tables and graphs. These work revealed that the level of the application of risk management practices in CDF projects was minimal. A vast majority of the project managers attested to their ignorance to risk management levels of risk identification, risk quantification, risk responses and risk responses control to the full cycle of the project. The research recommended that Project management committees be provided with basic training of risk management and be provided with templates and models of managing real and perceived risks in CDF projects and operations to enhance their success performance.

A study by Tero (2014) sought to investigate the factors influencing performance of CDF funded dispensary projects in Kenya using a case of Nandi County. The specific objectives of the study were: determining the effect of stakeholders' involvement on performance of CDF funded dispensary projects; determining the effect of competence of the implementation team on performance of CDF funded dispensary projects; determine the effect of human resource provision on performance of CDF funded dispensary projects; and determine the effect of commitment from political leaders on performance of CDF funded dispensary projects.

This study by Tero (2014) used descriptive research design. The target population of this study comprised of the CDF dispensary projects committees in Nandi County, the staff working in the dispensaries, the local leaders, the beneficiaries of the dispensaries. This study made use of a sample so as to save on cost and time. The sampling was done on the executive committee members responsible for overseeing CDF dispensary projects in Nandi County and the staff working in the dispensaries. This study used questionnaires as the data collection instruments. The questionnaire

comprised of both open and close ended questions. The data was collected using self-administered questionnaires through drop and pick later method where the researcher delivered the questionnaires in person at the respondents' places of work. Before embarking on data analysis, the questionnaires collected from the field were inspected for completeness, coded, and entered into Statistical Package for Social Sciences (SPSS) for analysis. SPSS version 21.0 analysis program was used to analyze the quantitative data while content analysis was used to analyze qualitative data.

From analysis undertaken, the study by Tero (2014) revealed that the regression value, R was 0.783, the value of R square was found to be 0.751, the value of adjusted R square was 0.653 and the value of standard error of the estimate was found to be 0.1169. The positivity and significance of all values showed that the model summary was significant. This means that all variables under study influences performance of CDF funded dispensary projects and therefore gives a logical support to the study model. The study established that the competence of the implementation team influenced the performance of the CDF funded dispensaries. The study also revealed that there is low level of transparency and accountability in the CDF dispensary projects due to interference by political leaders. The study concluded that the competence of the implementation team influenced the performance of the CDF funded dispensaries. This study recommended that implementation team needs to be trained, educated and supported to enhance their competency and delivery. This study also recommended that human resource provision should utilize individuals to effectively achieve results

2.5 Critique of Literature

The past efforts as explained by past studies tried to effectively address challenges facing procurement governance, the main aim was to provide a solution to the existing literature challenges; however the solution suggested failed to have maximum positive effect towards enhancing efficiency and effectiveness of CDF

projects, the approach under which each factor addressed by the research objective was addressed only focused on certain aspects of procurement while the major area were left out. This shows that for the studies to have a positive impact much emphasis should have been focused on each particular aspect of procurement governance on performance of CDF projects and a respective solution implemented for the case. Since this lacked, the past studies were seen to act as an attempt towards addressing all procurement challenges in general without significant headway, the issue of specializing was not implemented as some of the procurement techniques explained only favored a particular industry, it could have been more effective if the past studies explained much to do with performance of CDF projects, instead of covering all projects in general (Lysons, 2006).

Procurement skills are essential and managers who lack skills are likely to experience many challenges, there are many skills ranging from sourcing skills, negotiation skills, supplier performance management skills and many others that falls within the scope of the purchasing and supplies management, the explanation given under the purchasing skills failed to critically point the crucial skills that are required by the small scale textile traders, this could have made it easier for one to recommend the most appropriate skills required in sector. This could have also made it possible for managers to know the areas where they are supposed to improve their skills (Miguel, 2003). The method suggested for performance management was not clearly explained, this is because it stated that two major control values are used; this was not explained in detail and much explanation could have been important to enhance more understanding. The procurement challenges like transport problems, storage facilities and government regulations were not clearly addressed and this contributed to existence of research gaps (Lewis, 2005).

Public procurement advocates for a procurement system that puts in place a management style of realization of government objectives, through effective procurement governance. In this way, public procurement reform means inducing

change and is a strategy for improving performance of the public sector. The strategy that entails to do more with less, concentrate on value for money procurement, encourage competition, instill transparency and accountability, have responsive legal regimes, and involve a number of stakeholders in procurement governance (Benon , 2009). The establishment of the CDF program is an expression of continued faith in decentralization and frustration with the poor – indeed fatal – performance of all previous models of decentralization. How well is the legal and organizational framework of the CDF program suited for the realization of development goals in Kenya in the light of theoretical precepts of decentralization? This question will be answered through, first, an assessment of the organizational framework of the CDF and second, an assessment of the established (Chweya, 2014).

According to Hannon (2004) through technology, one can cost gain advantage through pioneering lower cost products design and creating low-cost ways to perform needed operations, thus supporting differentiation by pioneering unique or services that increase buyer value and thus command premium prices. And in some cases technology can completely the values of competition within an industry. An organization may benefit by developing a new technology within the company by providing an advantage over competitors. Adopting a new technology typically requires changes in the ways jobs are designed. The task is redefined to fit people to the demands of the technology to maximize the technology's operations but often fails to maximize the total productivity because it ignores the human parts of the equations. According to Lavassani (2008), giving the right attention to the most important policies and procedures is a bottom line for managers. For example, managers can study the scope of policies and procedures and decide the importance of each of managerial responsibility. They can then adjust their work schedule to ensure they devote enough time to the most important duties.

2.6 Summary of the literature

The above chapter reviewed various theoretical literatures, the empirical literature and conceptual framework that is used in this study. Specifically, it outlines the resource based view theory, theory of socio change, governance and performance theory and supplier relationship management theory. The empirical literature was done according to the objectives of the study and the conceptual framework gives a diagrammatical explanation of the dependent variable and the independent variables. The theoretical review explained all the major past activities that has been undertaken in an effort towards providing a solution to procurement challenges, the studies pin pointed what lacked in procurement functions and what the CDF project managers were applying, the missing gaps contributed to the existence of challenges that are being established by the main objective of the study.

There is a major concern on the level of professionalism on the government side in the conduct of procurement. There is a shortfall of professional capacity in many countries. This stems from a shortage of experienced procurement professional staff, inadequate training and low pay. It is clear that the development of procurement professionalism is of prime importance in the development of procurement system in the African region. The level of professionalism requirements for officials conducting and authorizing procurement functions is not taken seriously. Quite a number of countries in Africa have no procurement qualifications as are requirement for employment. Instead they provide a minimum civil service qualification to serve as a procurement officer. Some countries show that familiarity and on the job training as the standard measure for one to carry out procurement function. Some argue that there is no need for degree requirement or study background in the field of purchasing or supply and materials management (World Bank, 2006).

Ojukuku (2014) assessed the effect of capacity building and manpower development activities on the staff performance in selected business organizations in Nigeria. Findings revealed a significant positive relationship between capacity building and

staff performance in the selected organizations. It was concluded that capacity building and manpower development activities result in new knowledge, skills and management capabilities, and should therefore be the focus of greater attention and efforts by organizations.

According to Burt, Dobler and Starling (2003), the three main buyer– supplier relationship are transactional, collaborative and alliances. Transactional relationships are the most common and the most basic type of buyer/supplier relationship. This relationship is referred to as an arm’s- length relationship where neither party is concerned about the other party’s well-being. Harold (2010) asserted that it is highly recommended that one forge a strong, long term relationship with the suppliers, so that over time they learn to meet the precise company standards and that better deals are made between their company and yours..

A procurement process that conforms to the expected standards of integrity, uprightness and honesty is one in which clear procedures are consistent with Government policies and legislation are established, understood and followed from the outset. According to World Bank, 2006, shows that many of the Kenya government services and supplies are contracted to firms and organizations that are in fact owned by (or demonstrate other obvious conflict of interest connections with) prominent civil servants or politicians, often without any declaration of such direct or indirect ownership.

The benefits of e-procurement include but are not limited to increased access to supply market, shorter procurement process time, improved audit process and reduced total acquisition costs (Chaffey, 2009). Williams and Hardy (2006) identified the drivers of e-procurement in Australian organizations with the aim of understanding the resultant effect of the benefits and challenges that arise from the a The World Bank (2006) postulates that prudent management of public procurement policies and systems has been identified as very important to accelerated national development for the adoption of e-procurement practice.

2.7 Research gaps

According to Gordon (2008), Supplier Performance measurement is a process, not an event. It requires support from stakeholders besides procurement, as supplier performance impacts many functions. A SPM process should include key stakeholders who interact with suppliers as well as the suppliers themselves. A SPM program should have the following key dimensions: Align with the objectives of the firm; planned and designed with those corporate goals in mind; measure and monitor progress against a plan based on metrics; undergo schedule reviews and improve processes. Traditionally, price and cost used to be the dimensions in the evaluation of supplier performance (Wilson, 1994). Over time a number of complementary dimensions have been proposed, but in practice the majority of supplier evaluation for a long time tended to be routinely viewed as consisting of just three factors: price/cost, quality and delivery, (Hirakubo & Kubli, 1998). Also model of supplier performance have been developed beyond individual rating. Hence, the need to incorporate the whole supply chain in the performance evaluation on the supply side, and to consider a number of performance indicators (financial and non- financial). Thus this study will be carried out to generate long term solutions.

According to Grant (2001), the theory proposes a framework for a resource-based approach to strategy formulation which integrates a number of the key themes. This is a five-stage procedure for strategy formulation, analyzing the firm's resource based; appraising the firm's capabilities; analyzing the profit earning potential of firm's resources and capabilities; selecting a strategy; and extending and upgrading the firm's pool of resources and capabilities. This theory lacks single integrating framework and in filling the resource gaps the theory does not address the issue of the existing stock valuation before replenishment.

According to Mwangi (2013), examined the factors that hamper the adoption of e-procurement in Kenyan telecommunication industry with the objective of ascertaining how the infrastructural and technological cost, knowledge of e-

procurement and management attitudes affect the implementation of e-procurement. While, Owili (2013) carried a study on how transaction costs are affected by the implementation of e-procurement among the NGOs in Kenya. These studies were conducted in different sectors of the economy and didn't take into account of the larger macro and micro economic factors.

According to, Williams and Hardy (2006), conducted a research for identifying the drivers of e-procurement in Australian organizations with the aim of understanding the resultant effect of the benefits and challenges that arise from the adoption of e-procurement practice. The study noted the following benefits of implementing e-procurement; superior supply chain integration, enhanced sourcing and lower employee overhead. The authors also identified software integration issues as the major challenge arising from the implementation of e-procurement and these issues include; the intricacy of aligning organizational culture with the new procurement systems, coordinating the inter-organizational information and lastly, the complexity of catalogue integration. The authors stated that the implementation of e-procurement affects organizational performance, but they failed to show the extent to which the stakeholders will react. And this research study was carried out to fill the gaps.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology that was used in this study including the research philosophy, research design, study population, sample design, data collection method, data analysis, research procedures, reliability and validity, and data analysis methods.

3.2 Research Design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. It constitutes decisions regarding what, where, when, how much, and by what means concerning a research study (Kothari 2006). Research design is the strategic plan that sets out the broad outline and key features of the work to be undertaken in a research study. It describes how the research strategy addresses the specific aims and objectives of the study, and whether the research issues are theoretical or policy-oriented (Mugenda & Mugenda, 2003).

The study used a descriptive research design in carrying out the study. The design is preferred because it is concerned with answering questions such as who, how, what, which, when and how much (Cooper & Schindler, 2006).

3.2.1 Research Philosophy

Research philosophy relates to the development of knowledge and the nature of that knowledge, and contains important assumptions about the way in which researchers view the world (Saunders, Lewis & Thornhill, 2009). There are two extreme philosophical views regarding knowledge and reality (schools of thought). These are Positivism (sometimes referred to as deduction research) and Phenomenology (also known as induction research).

This study was guided by the positivist paradigm where scientific processes will be followed in hypothesizing fundamental laws then deducing the observations so as to determine the truth or falsify the said hypothesis about the relationship that exists public procurement practices and performance of CDFin selected projects in Kenya. The study therefore verified the propositions through empirical tests by operationalizing variables in the conceptual framework to allow for measurement. The principle of positivism was used since the study used existing theory to develop hypotheses and have them tested by using a quantitative survey, and the use of statistical analysis.

3.3 Population of the Study

Population is the set of all elements, units, objects or subjects in the universe of interest for a particular study (Mugenda & Mugenda, 2003). Target population is the particular entity of people, objects or units to which a researcher can reasonably generalize his or her research findings (Mugenda & Mugenda, 2003). The target population comprised of 2000 CDF projects in Nairobi County, Kisumu County, Kericho County, Kisii County and Bungoma County. The unit of analysis was the 2000 CDF projects in the five counties. The unit of observation was the CDF project managers, CDFC and CDDC who are involved in the running and implementation of projects.

Table 3.1: Target Population

Category	Target Population (N)
Bomet County	458
Bungoma County	314
Kiambu County	265
Kisii County	258
Kisumu county	386
Nairobi county	319
Total	2000

3.3.1 Sampling Frame

A sampling frame is a list, directory or index of cases from which a sample can be selected (Kothari, 2006). The sampling frame was all the 2000 CDF projects in Nairobi County, Kisumu County, Kericho County, Kisii County and Bungoma County. The choice of these counties was justified by the fact that they were among the counties that reported poor performance in the use of CDF funds.

3.3.2 Sample and Sampling Technique

Cooper and Schindler (2006) define sampling as selecting a given number of subjects from a defined population as representative of that population. The study used purposive sampling procedures to select a sample that represents the entire population. This procedure was preferred since it involved dividing of the population into homogenous subgroups then taking a sample in each sub-group. This procedure was also preferred because it ensured that certain sub groups in the population are represented in the sample in proportion to their number in the population (Kombo & Tromp, 2006).

According to Kothari (2006) for a population that is less than 200, sampling is not necessary and thus a census is conducted. According to Mugenda and Mugenda (2003) and Kothari (2006) a sample size of 10% is adequate for a descriptive study which has a small population that is more than 200. However, a large population requires a formula to come up with the sample. Determining a final population for a large population is assumed to be normally distributed at a confidence interval of 95% or significance interval of 10% (Mugenda & Mugenda, 2003).

The formula will be used,

$$n = \frac{z^2 pq}{d^2}$$

Where

n = desired sample size

$Z = 1.96$ (standard normal deviation)

P = known proportion of the population with the known characteristics, but in this study 0.5 will be used because the principal investigator did not find any known proportion.

Q = constant (usually set at $1-p$ ($1-0.5$))

d = degree of accuracy will be set at 0.1

d = degree of accuracy will be set at 0.1

$$n = \frac{1.96^2(0.5)*(0.5)}{0.01^2} = 96 \text{ Hence the sample size for this study was 96}$$

Table 3.2: Sample Design

Category	Target Population (N)	Sample Size (n. Xi/N)
Bomet County	458	22
Bungoma County	314	15
Kiambu County	265	13
Kisii County	258	12
Kisumu county	386	19
Nairobi county	319	15
Total	2000	96

Sample size= (n. Xi/N); where, N=2000, n=96, Xi=458 (X_i, \dots, X_n).

Justification of sample size: Efficiency, representativeness and flexibility for cost management and budget constraint. Criteria for selecting sample should be truly

representative of population. Sample should be determined based on the following factors: Funds availability, nature of population(homogeneous or heterogeneous), no. of classes proposed in each group, nature of study, type of sampling, standard of accuracy, and other conditions (Kothari, 2006). The study targeted various categories of respondents who comprised of CDF project managers, CDFC and CDDC who are involved in the running and implementation of projects.

3.5 Data Collection and Instruments

According to Kombo and Tromp (2006), data collection refers to the action of gathering specific information aimed at proving or refuting some facts. The main tools for data collection in this study was through questionnaires. Questionnaires were preferred because they are easy to design, distribute and collect the required data (Gray, 2004). Questionnaires can also eliminate the interaction between the interviewer and the respondents and therefore reduces bias (Kombo & Tromp, 2006).

3.6 Data Collection procedures

Kombo and Tromp (2006) states that data collection is important in research because as it allows for dissemination of accurate information and development of meaningful programmes. The questionnaires was self administered with the help of two research assistants. The researcher informed the respondents that the instruments being administered were for research purpose only and the response from the respondents would be kept confidential. The researcher obtained an introductory letter from the University in order to collect data from the field. The drop and pick later method was used in the study.

3.7 Pilot testing

According to Cooper et al (2006) a pre test is a small scale kind of research projects that collects data from respondents similar to those that will be used in the future survey. The aim of a pre test is to act as a guide to examine specific aspects of research to see if the selected procedures will work as intended. A pre test is meant

to test for clarity and understanding of questions to test if the questions yield as expected. Cooper and Schindler (2001) concur that the purpose of pilot test is to detect weaknesses in design and implementation and to provide proxy for data collection of a probability sample. Sekaran (2003) reinforces that pilot test is necessary for testing the reliability of instruments and the validity of a study. A pilot study was undertaken on 10% of the sample size.

i) Reliability

Reliability is the degree at which results obtained from a survey is consistent after interpreted number of times. Also reliability in every research gives the same results on frequent assessment from and experiment or test by using similar methodology (Joppe, 2008). Reliability in research is influenced by the degree of error. As random error increases, reliability decreases (Mugenda, 2003). In order for results to be usable in further research steps they must be reliable and valid.

The questionnaire was subjected to overall reliability analysis of internal consistency. This was measured using Cronbach alpha as a coefficient of internal consistency. Internal consistency measures the correlations between different items on the same test (or the same subscale on a larger test) and whether several items that propose to measure the same general construct produce similar scores. Castillio (2009) provide the following rules of thumb: >0.9 – Excellent, >0.8 – Good, >0.7 – Acceptable, >0.6 – Questionable, >0.5 – Poor and <0.5 – Unacceptable. The acceptable value of 0.7 was used as a cut-off of reliability for this study.

ii) Validity

Validity is the degree to which the test measures what it is supposed to measure. The questionnaire should be in line with the definition used in the research. When a measure is reliable and valid the results can be correctly utilized and understood (Mugenda & Mugenda, 2003).

This study used both construct validity and content validity. For construct validity, the questionnaire was divided into several sections to ensure that each section assessed information for a specific objective, and also ensured that the same closely ties to the conceptual framework for this study. To ensure content validity, the questionnaire was subjected to thorough examination by two randomly selected procurement officers. They were asked to evaluate the statements in the questionnaire for relevance and whether they were meaningful, clear and loaded of offensive. On the basis of the evaluation, the instrument was adjusted appropriately before subjecting it to the final data collection exercise. Their review comments were used to ensure that content validity is enhanced.

3.8 Data Analysis and Presentation

According to Zikmund *et al.* (2010), data analysis refers to the application of reasoning to understand the data that has been gathered with the aim of determining consistent patterns and summarizing the relevant details revealed in the investigation. Data processing involves translating the answers on a questionnaire into a form that can be manipulated to produce statistics. This involves coding, editing, data entry, and monitoring the whole data processing procedure. To determine the patterns revealed in the data collected regarding the selected variables, data analysis will be guided by the aims and objectives of the research and the measurement of the data collected.

After quantitative data was obtained through questionnaires, it was prepared in readiness for analysis by editing, handling blank responses, coding, categorizing and keyed into statistical package for social sciences (SPSS) computer software for analysis. The choice of SPSS to other statistical software is that it is user friendly. The statistics generated were descriptive statistics and inferential statistics. The specific descriptive statistics included percentages and frequencies while the inferential statistics included a multiple linear regression model. Microsoft excel was used to complement SPSS especially in production of diagrams and tables.

The multiple linear regression model was used to measure the relationship between the independent variables and the dependent variable which are explained in the model. The regression model helped to explain the magnitude and direction of relationship between the variables of the study through the use of coefficients like the correlation, coefficient of determination and the level of significance.

The multi- linear regression model was as indicated;

$$Y=\alpha_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+ e$$

Where,

Y=Performance (Dependent variable)

α_0 = Constant

B= Regression coefficient

X_1 =Capacity building

X_2 =supplier relationship

X_3 = Ethics

X_4 = Information communication and Technology

e= margin of error

In the model a is the constant term while the coefficient β_1 to β_4 are used to measure the sensitivity of the dependent variable (Y) to unit change in the independent variable (X_1, X_2, X_3, X_4). ε is the error term which captures the unexplained variations in the model. The results were presented in form of tables.

Using SPSS version 22, the regression model was tested to depict the relationship between the dependent and independent variables. The significance of each independent variable was also tested. Fischer distribution test called F-test was applied. It refers to the ratio between the model mean square divided by the error

mean square. F-test was used to test the significance of the overall model at a 95 percent confidence level. The p-value for the F-statistic was applied in determining the robustness of the model.

The hypothesis was tested on the basis of p value. The rule of thumb was that the null hypothesis of the beta was rejected and the alternative accepted if the p value was 0.05 or less. The null hypothesis was accepted and the alternative hypothesis rejected if the p value was greater than 0.05. In other words if the p-value is less than 0.05 then it was concluded that the model is significant and has good predictors of the dependent variable and that the results are not based on chance. If the p-value is greater than 0.05 then the model was not significant and cannot be used to explain the variations in the dependent variable.

3.8.1 Test for Moderation

A multiple linear regression was used to test the moderating effect of government policy on the relationship between public procurement practices and performance.

The multi- linear regression model was as indicated;

$$Y = \alpha_0 + \beta_1 X + \beta_2 X_5 + \beta_3 X * X_5 + e$$

Where,

Y=Performance (Dependent variable)

α_0 = Constant

B= Regression coefficient

X= Combination of the independent variables

X_5 = Government policy

e= margin of error

The moderating effect was the joint effect of government policy and public procurement practices. The significance of moderating effect was evaluated for significance at a p value of 0.05. If reported p value was less than 0.05, then the moderating effect was considered to be significant.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter comprises of data analysis, findings and interpretation. Results are presented in tables and diagrams. The analyzed data was arranged under themes that reflect the research objectives.

4.2 Response Rate

The number of questionnaires that were administered was 96. A total of 77 questionnaires were properly filled and returned. This represented an overall successful response rate of 74% as shown on Table 4.1. Babbie (2004) also asserted that return rates of 50% are acceptable to analyze and publish, 60% is good and 70% is very good. Based on these assertions from renowned scholars 74% response rate is adequate for the study.

Table 4.1: Response Rate

Response	Frequency	Percent
Returned	77	74%
Unreturned	19	26%
Total	96	100%

4.3 Reliability Test

The reliability of an instrument refers to its ability to produce consistent and stable measurements. Bagozzi (1994) explains that reliability can be seen from two sides: reliability (the extent of accuracy) and unreliability (the extent of inaccuracy). The most common reliability coefficient is Cronbach's alpha which estimates internal consistency by determining how all items on a test relate to all other items and to the total test- internal coherence of data. The reliability is expressed as a coefficient between 0 and 1.00. The higher the coefficient, the more reliable is the test.

Reliability of this instrument was evaluated through Cronbach Alpha which measures the internal consistency. Cronbach Alpha value is widely used to verify the reliability of the construct. The findings indicated that capacity building had a coefficient of 0.761, supplier relationship had a coefficient of 0.779, procurement ethics had a coefficient of 0.748, monitoring management strategy had a coefficient of 0.728, hedging against risk information communication technology had a coefficient of 0.730, government policy had a coefficient of 0.765 and performance of CDF projects had a coefficient of 0.786. All variables depicted that the value of Cronbach's Alpha are above value of 0.7 thus the study was reliable (Mallery, 2009). This represented high level of reliability and on this basis it was supposed that scales used in this study is reliable to capture the variables.

Table 4.2 Reliability Coefficient

Variables	Cronbach's Alpha	Comment
Capacity Building	0.761	Accepted
Supplier Relationship	0.779	Accepted
Procurement Ethics	0.748	Accepted
Information Communication Technology	0.730	Accepted
Government Policy	0.765	Accepted
Performance of CDF Projects	0.786	Accepted

4.4 Demographic Characteristics

This section analyzes the demographic characteristics of the respondents. This section presents the descriptions of the respondents in terms of their gender, age, level of education, and work duration in years.

4.4.1 Gender Composition of Respondents

The respondents were asked to indicate their gender. Results of table 4.3 reveal that a majority of the respondents were male as supported by 83.1% while 16.9% were female. This implies that majority of the officers managing the CDF projects are male. In addition, the gender distribution was below the Constitutional of Kenya (2010) threshold of a 1/3.

This agrees with a study citing the ratio of men to women in formal sector as 74%:26%. Other studies that have identified male domination in the formal and informal sectors include Gakure (2001) and Gakure (2003).

The study findings implied that perhaps the public procurement practices of CDF projects in Kenya may improve if the gender distribution was kept at or above the constitutional threshold of a third. It may also imply that women are not good in adopting public procurement. However, further studies may need to be done to validate these views.

Table 4.3 Gender of the Respondents

Gender	Frequency	Percent
Male	64	83.1
Female	13	16.9
Total	77	100

4.4.2 Age of Respondents

The respondents were asked to indicate their age. Results of table 4.4 reveal that 66.2% of the respondents were between 36-45 years, 29.9% were between 26-35 years, 2.6% were over 45 years while 1.3% were below 25 years. This implies that majority of the CDF officers are in their middle age and had a bit of experience. This also implies that the respondents provided informed responses that were of great relevance to this study. This agrees with Larnsen (2012) that the age of a person is

directly proportional to their input in the work coupled with experience hence the longer employees stick with their organization, the more experienced they become with the working environment. From this information, the researcher was also able to have confidence in the data collected since most respondent (66.2%) were experienced enough and had adequate relevance information and well experienced and matured and this showed they were familiar with public procurement practices and were much reliable given their age bracket.

Table 4.4: Age of the Respondents

Age	Frequency	Percent
Below 25 years	1	1.3
26 – 35 years	23	29.9
36 – 45 years	51	66.2
Over 45 years	2	2.6
Total	77	100

4.4.3 Level of Education

The respondents were asked to indicate their level of education. Results of table 4.5 reveal that 45.5% of the respondents had education up to the college level, 44.2%v indicated that they had attained education up to secondary level while 10.4% of the respondents indicated that they had attained education up to university level. This implies that CDF officers are moderately educated. It can also imply that being involved in public procurement practices does not require high level of education.

Table 4.5: Level of Education of the Respondents

Education Level	Frequency	Percent
Secondary	34	44.2
College	35	45.5
University	8	10.4
Total	77	100

4.4.4 Work Duration in Years

The respondents were asked to indicate how long they had served as CDF officers. Results of table 4.6 reveal that 87% of the respondents had worked for less than 5 years, 9.1% indicated that they had worked for between 5 - 10 years while 3.9% of the respondents indicated that they had served as CDF officers for more than 10 years. This can be explained by the fact that the political leadership in Kenya changes after every 5 years. Hence, there is low probability that one must be re-elected as a CDF officer. These can be supported by the fact that the Constitution of Kenya 2010, stipulates that general elections should take place after every 5 years.

Table 4.6: Work Duration in Years

Duration of Work	Frequency	Percent
Below 5 years	67	87
5 - 10 years	7	9.1
Above 10 years	3	3.9
Total	77	100

4.5 Capacity Building

4.5.1 Hiring Policy

The respondents were asked whether there exists a written policy on hiring project procurement staff based on their qualifications and professional competencies. Results of table 4.7 reveal that majority of the respondents (90.9%) indicted yes while 9.1% indicated no. These findings are supported by those of Van Dersal (2012) who asserted that usually an organization facilitates the employees' learning through training so that their modified behavior contributes to the attainment of the organization's goals and objectives.

Table 4.7: Hiring Policy

Response	Frequency	Percent
No	7	9.1
Yes	70	90.9
Total	77	100

4.5.2 Training Budget

The respondents were asked whether there exists a training budget for project procurement staff. Results of table 4.10 reveal that majority of the respondents (94.8%) indicated yes while 5.2% indicated no.

Table 4.8 Training Budget

Response	Frequency	Percent
No	4	5.2
Yes	73	94.8
Total	77	100

Results of Table 4.10 show that majority of the respondents indicated that existence of a training budget for project procurement staff performance. These findings concur with those of Ojukuku (2014) who assessed the effect of capacity building and manpower development activities on the staff performance in selected business organizations in Nigeria. Findings revealed a significant positive relationship between capacity building and staff performance in the selected organizations. It was concluded that capacity building and manpower development activities result in new knowledge, skills and management capabilities, and should therefore be the focus of greater attention and efforts by organizations.

4.5.3 Training

The respondents were asked whether there exists frequent training for project procurement staff. Results of table 4.13 reveal that majority of the respondents (77.9%) indicated yes while 22.1% indicated no.

Table 4.9: Training

Response	Frequency	Percent
No	17	22.1
Yes	60	77.9
Total	77	100

Results of Table 4.9 show that majority of the respondents indicated that existence of frequent training for project procurement staff has reduced misuse of funds in the projects. Literature review by Theisohn and Lopes (2013) support these findings by stating that capacity building seeks to improve the performance of work units, departments, and the whole organization. In particular, capacity building looks in depth at where an organization stands in comparison to where it hopes to be in the future, and develops the skills and resources to get there.

4.5.4 Relationship between Capacity Building and Performance of CDF Projects

A well-fitting regression model results in predicted values close to the observed data values. According to Kothari (2006) the R-squared is used to measure the model fitness of a regression model. R- Squared is calculated by the difference between Sum of Squares Total (SST) and Sum of Squares Errors (SSE). It is the improvement in prediction from the regression model, compared to the mean model. R-squared ranges from zero to one, with zero indicating that the proposed model does not improve prediction over the mean model and one indicating perfect prediction. Improvement in the regression model results in proportional increases in R-squared.

Further, the R-squared shows the proportion of the dependent variable that is explained by the independent variables.

The results presented of table 4.10 present the fitness of model used of the regression model in explaining the study phenomena. Existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies, existence a training budget for project procurement staff and existence of frequent training for project procurement staff were found to be satisfactory variables in explaining better lead time for completion of CDF projects. This is supported by coefficient of determination also known as the R square of 35.1%.

This means that existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies, existence a training budget for project procurement staff and existence of frequent training for project procurement staff explain 35.1% of the variations in the dependent variable which is better lead time for completion of CDF projects. These results further imply that capacity building does not influence lead time for completion of CDF projects to a very large extent as shown by 35.1% which is lower than 50%.

Table 4.10: Model Fitness

Indicator	Coefficient
R	0.592
R Square	0.351
Adjusted R Square	0.324

In statistics significance testing the p-value indicates the level of relation of the independent variable to the dependent variable. If the significance number found is less than the critical value also known as the probability value (p) which is statistically set at 0.05, then the conclusion would be that the model is significant in explaining the relationship; else the model would be regarded as non-significant. The F-statistic in the linear model output display is the test statistic for testing the statistical significance of the model. The F-statistic values in the ANOVA display are

for assessing the significance of the variables in the model (Cooper and Schindler, 2008).

Table 4.11 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically significant. Further, the results imply that capacity building is a good predictor of better lead time for completion of CDF projects. This was supported by an F statistic of 13.155 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 4.11: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	3.792	3	1.264	13.155	0.000
Residual	7.014	73	0.096		
Total	10.805	76			

In linear regression, the t-statistic is useful for making inferences about the regression coefficients. The hypothesis test on the variables tests the null hypothesis that it is equal to zero, meaning the corresponding term is not significant, versus the alternate hypothesis that the coefficient is different from zero. T-statistic tests for the significance of each term given other terms in the model (Cooper & Schindler, 2008).

Regression of coefficients results of table 4.18 shows that there is a positive and significant relationship between existence a training budget for project procurement staff and better lead time for completion of CDF projects as supported by beta coefficients of 0.526. In addition, table 4.18 reveals that there is a positive but insignificant relationship between existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies and existence of frequent training for project procurement staff and better lead time for completion of CDF projects. These results show that an increase in the existence of a training budget for project procurement staff would result to an increase in better

lead time for completion of CDF projects. These findings agree with those of Wessman (1998) who posited that the need for training is emphasized and as decentralization takes place there is a tendency untrained and inexperienced people enter into the procurement field. As an integral part of promoting procurement market is to ensure that procurement training opportunities are made available to the private sector in particular the small and medium enterprises-SMEs.

Table 4.12: Regression Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	0.07	0.159	0.437	0.664
Existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies	0.278	0.148	1.878	0.064
Existence a training budget for project procurement staff	0.526	0.198	2.658	0.010
Existence of frequent training for project procurement staff	0.191	0.096	1.978	0.052

Lead Time for Project Completion = 0.07 + 0.101 (Training Budget) + e

4.5.4.2 Regression between Capacity Building and Performance of CDF Projects

The results presented in table 4.13 present the fitness of model used of the regression model in explaining the study phenomena. Existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies, existence a training budget for project procurement staff and existence of frequent training for project procurement staff were found to be satisfactory variables in explaining better fund utilization mechanisms of CDF projects. This is supported by coefficient of determination also known as the R square of 66.5%. This

means that existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies, existence a training budget for project procurement staff and existence of frequent training for project procurement staff explain 66.5% of the variations in the dependent variable which is better fund utilization mechanism of CDF projects. This results further means that the model applied to link the relationship of the variables was satisfactory.

Table 4.13: Model Fitness

Indicator	Coefficient
R	0.815
R Square	0.665
Adjusted R Square	0.651

The F-statistic in the linear model output display is the test statistic for testing the statistical significance of the model. The F-statistic values in the ANOVA display are for assessing the significance of the variables in the model (Cooper and Schindler, 2008).

Table 4.14 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically significant. Further, the results imply that capacity building is a good predictor of better fund utilization mechanism of CDF projects. This was supported by an F statistic of 48.273 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 4.14: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	4.231	3	1.41	48.273	0.000
Residual	2.133	73	0.029		
Total	6.364	76			

In linear regression, the t-statistic is useful for making inferences about the regression coefficients. The hypothesis test on the variables tests the null hypothesis that it is equal to zero, meaning the corresponding term is not significant, versus the alternate hypothesis that the coefficient is different from zero. T-statistic tests for the significance of each term given other terms in the model (Cooper & Schindler, 2008).

Regression of coefficients Results of table 4.15 shows that there is a positive and significant relationship between existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies, existence a training budget for project procurement staff and better fund utilization mechanism of CDF projects as supported by beta coefficients of 0.407 and 0.681 respectively. In addition, table 4.21 shows that there is a positive but insignificant relationship between, professional competencies and existence of frequent training for project procurement staff and better fund utilization mechanism of CDF projects. These results show that an increase in the existence of a written policy on hiring project procurement staff based on their qualifications and existence a training budget for project procurement staff would result to an increase in better fund utilization mechanism of CDF projects. These findings agree with those of Fox, Ward and Howard (2002) who argued that building organizational capacity typically involves four steps: diagnosing what is missing or needed in the organization, planning strategies to change the situation, educating personnel to carry out change, and evaluating results. As an organization engages in these activities it acquires new knowledge about organizational actions and outcomes. Organizational capacity expands when learning goes beyond solving a specific problem to gaining the skills and knowledge to solve future problems.

Table 4.15: Regression Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	0.102	0.088	1.157	0.251
Existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies	0.407	0.082	4.977	0.000
Existence a training budget for project procurement staff	0.681	0.109	6.233	0.000
Existence of frequent training for project procurement staff	0.005	0.053	0.102	0.919

Fund Utilization Mechanism = 0.102 + 0.407 (Hiring Policy) + 0.101 (Training Budget) + e

4.5.4.3 Regression between Capacity Building and Performance of CDF Projects

The results presented in table 4.16 present the fitness of model used of the regression model in explaining the study phenomena. Existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies, existence a training budget for project procurement staff and existence of frequent training for project procurement staff were found to be satisfactory variables in explaining better poverty reduction rate of CDF projects. This is supported by coefficient of determination also known as the R square of 74.5%. This means that existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies, existence a training budget for project procurement staff and existence of frequent training for project procurement staff explain 74.5% of the variations in the dependent variable which is better poverty reduction rate of CDF projects. This results further means that the model applied to link the relationship of the variables was satisfactory.

Table 4.16: Model Fitness

Indicator	Coefficient
R	0.863
R Square	0.745
Adjusted R Square	0.734

Table 4.17 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically significant. Further, the results imply that capacity building is a good predictor of better poverty reduction rate of CDF projects. This was supported by an F statistic of 71.024 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 4.17: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.147	3	0.716	71.024	0.000
Residual	0.736	73	0.01		
Total	2.883	76			

Regression of coefficients Results of table 4.18 shows that there is a positive and significant relationship between existence a training budget for project procurement staff and better poverty reduction rates of CDF projects as supported by beta coefficients of 0.784. In addition, table 4.21 reveals that there is a positive but insignificant relationship between existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies, existence of frequent training for project procurement staff and better poverty reduction rate of CDF projects. These results show that an increase in the existence a training budget for project procurement staff would result to an increase in better poverty reduction rates of CDF projects. These findings agree with those of Beste (2008) suggested that leadership training begins with giving people the basic skills that they require to assume responsibility, and to discharge whatever managerial

authority may be entrusted to them in a way that – if not spectacular – is at least not manifestly incompetent or catastrophically bad.

Table 4.18: Regression Coefficients

Variable	B	Std. Error	T	Sig.
(Constant)	0.264	0.052	5.121	0.000
Existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies	0.057	0.048	1.19	0.238
Existence a training budget for project procurement staff	0.784	0.064	12.225	0.000
Existence of frequent training for project procurement staff	0.007	0.031	0.22	0.826

Poverty Reduction Rates = 0.264 + 0.784 (Training Budget) + e

- i) To determine how capacity building influence on performance of CDF projects in Kenya.
- ii) **H₁**: Capacity building has a significant effect on performance of CDF projects.

Accept H_{a1} if p value for any aspect of performance of CDF projects <0.05

4.6 Supplier Relationship

4.6.1 Supplier Identification

The respondents were asked whether there exists a written down policy on supply identification in the public procurement practices. Results of table 4.19 reveal that majority of the respondents (81.8%) indicted yes while 18.2% indicated no.

Table 4.19: Supplier Identification

Response	Frequency	Percent
No	14	18.2
Yes	63	81.8
Total	77	100

Results of Table 4.19 show that majority of the respondents indicated that existence of a written down policy on supply identification in the public procurement practices has reduced misuse of funds in the projects. These findings are consistent with those of Krause *et al.* (2007) found that commitment of the buying firm to long-term relationships with major suppliers, shared goals and values with suppliers, and the involvement in supplier development initiatives were positively associated with the buying firm competitive performance in US automotive and electronics industries.

4.6.2 Supplier Assessment

The respondents were asked whether there exists a written down policy on supply assessment in the public procurement practices. Results of table 4.20 reveal that majority of the respondents (64.9%) indicated yes while 35.1% indicated no.

Table 4.20: Supplier Assessment

Response	Frequency	Percent
No	27	35.1
Yes	50	64.9
Total	77	100

Results of Table 4.20 show that majority of the respondents indicated that existence of a written down policy on supply assessment in the public procurement practices has reduced misuse of funds in the projects. These findings agree with those of Heikkila (2002) who pointed to reducing lead time as an essential approach to create responsive supply chain and avoid uncertainty. Hernandez (2003) pointed to the

crucial role of reducing lead time on the ability of the supplier to become lean and responsive. He further indicated that supplier lead time reduction minimizes the potential problem of shifting inventories to the supplier firm and eliminates quality problems associated with holding buffer inventories.

4.6.3 Supplier Evaluation

The respondents were asked whether there exists a written down policy on supply evaluation in the public procurement practices. Results of table 4.21 reveal that majority of the respondents (67.5%) indicated yes while 32.5% indicated no.

Table 4.21: Supplier Evaluation

Response	Frequency	Percent
No	25	32.5
Yes	52	67.5
Total	77	100

Results of Table 4.21 show that majority of the respondents indicated that existence of a written down policy on supply evaluation in the public procurement practices has reduced misuse of funds in the projects. These findings are consistent with those of Doney and Cannon (2007) who concluded that trust is essential and advantageous to the supplier firm, which has to make efforts to establish, extend, and retain the buying firm trust, especially when such trust can lead to more benefits for the supplier. Although trust building is a costly, difficult, and time consuming procedure, it leads to strong, successful, and long-term buyer-seller relationships.

4.6.4 Relationship between Supplier Relationship and Performance of CDF Projects

The results presented in table 4.22 present the fitness of model used of the regression model in explaining the study phenomena. Existence of a written down policy on supply identification in the public procurement practices, existence of a written down

policy on supply assessment in the public procurement practices and existence of a written down policy on supply evaluation in the public procurement practices were found to be satisfactory variables in explaining better lead time for completion of CDF projects. This is supported by coefficient of determination also known as the R square of 25.2%. This means that existence of a written down policy on supply identification in the public procurement practices, existence of a written down policy on supply assessment in the public procurement practices and existence of a written down policy on supply evaluation in the public procurement practices explain 25.2% of the variations in the dependent variable (better lead time for completion of CDF projects). This results further means that supplier relationship on its own does not influence the lead time for completion of CDF projects since the R squared was less than 50%.

Table 4.22: Model Fitness

Indicator	Coefficient
R	0.502
R Square	0.252
Adjusted R Square	0.221

Table 4.23 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically significant. Further, the results imply that supplier relationship is a good predictor of better lead time for completion of CDF projects. This was supported by an F statistic of 8.201 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 4.23: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	272.4%	3.00	0.91	8.201	0.000
Residual	808.1%	73.00	0.11		
Total	10.805	76			

Regression of coefficients Results of table 4.24 shows that there is a positive and significant relationship between existence of a written down policy on supply identification in the public procurement practices and better lead time for completion of CDF projects as supported by beta coefficients of 0.44. In addition, table 4.36 shows that there is a positive but insignificant relationship between existence of a written down policy on supply assessment in the public procurement practices, existence of a written down policy on supply evaluation in the public procurement practices and better lead time for completion of CDF projects. These results show that an increase in the existence of a written down policy on supply identification in the public procurement practices would result to an increase in better lead time for completion of CDF projects. These findings agree with those of Shin, Collier and Wilson (2000) who sought to investigate supply management orientation (SMO) on supplier's and buyer's performances in 176 automotive firms in the US. They measured SMO in terms of long-term relationships with suppliers, supplier participation in new product development, limited number of suppliers, and selecting suppliers based on quality considerations. They found that SMO positively affected supplier's and buyer's performance in terms of quality and delivery. However, they found that SMO did not affect buyer's performance in terms of cost and flexibility.

Table 4.24: Regression Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	0.44	0.090	4.827	0.000
Existence of a written down policy on supply identification in the public procurement practices	0.25	0.110	2.257	0.027
Existence of a written down policy on supply assessment in the public procurement practices	0.103	0.114	0.902	0.370
Existence of a written down policy on supply evaluation in the public procurement practices	0.17	0.119	1.433	0.156

$$\text{Lead Time for Project Completion} = 0.44 + 0.25 (\text{Supplier Identification}) + e$$

4.6.4.2 Regression between Supplier Relationship and Performance of CDF Projects

The results presented in table 4.25 present the fitness of model used of the regression model in explaining the study phenomena. Existence of a written down policy on supply identification in the public procurement practices, existence of a written down policy on supply assessment in the public procurement practices and existence of a written down policy on supply evaluation in the public procurement practices were found to be satisfactory variables in explaining better fund utilization mechanism of CDF projects. This is supported by coefficient of determination also known as the R square of 30.7%. This means that existence of a written down policy on supply identification in the public procurement practices, existence of a written down policy on supply assessment in the public procurement practices and existence of a written down policy on supply evaluation in the public procurement practices explain 30.7% of the variations in the dependent variable which is better fund utilization mechanism of CDF projects. These results further means that supplier relationship on its own does not influence the fund utilization mechanism of CDF projects since the R squared was less than 50%.

Table 4.25: Model Fitness

Indicator	Coefficient
R	0.554
R Square	0.307
Adjusted R Square	0.278

Table 4.26 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically significant. Further, the results imply that supplier relationship is a good predictor of better fund utilization mechanism of CDF projects. This was supported by an F statistic of 10.761 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 4.26: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.951	3	0.65	10.761	0.000
Residual	4.412	73	0.06		
Total	6.364	76			

Regression of coefficients Results of table 4.27 shows that there is a positive and significant relationship between existence of a written down policy on supply identification in the public procurement practices and better fund utilization mechanism of CDF projects as supported by beta coefficients of 0.41. In addition, table 4.39 reveals that there is a positive but insignificant relationship between existence of a written down policy on supply assessment in the public procurement practices, existence of a written down policy on supply evaluation in the public procurement practices and better lead time for completion of CDF projects. These results show that an increase in the existence of a written down policy on supply identification in the public procurement practices would result to an increase in better fund utilization mechanisms of CDF projects. These findings agree with those of De Toni and Nassimbeni (2000) who summarized some benefits of including

suppliers in NPD process such as reduce development cost, early available prototypes, considering supplier capabilities in the design, reduce technical changes, increase quality, reduce development time, and increase product innovativeness. Echtelt *et al.* (2008) further indicated that supplier involvement in NPD efforts allow for establishing learning routines and matching capabilities of both parties.

Table 4.27: Regression Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	0.57	0.068	8.445	0.000
Existence of a written down policy on supply identification in the public procurement practices	0.41	0.083	4.937	0.000
Existence of a written down policy on supply assessment in the public procurement practices	0.00	0.085	0.015	0.988
Existence of a written down policy on supply evaluation in the public procurement practices	0.00	0.088	0.064	0.946

$$\text{Fund Utilization Mechanism} = 0.57 + 0.41 (\text{Supplier Identification}) + e$$

4.6.4.3 Regression between Supplier Relationship and Performance of CDF projects

The results presented in table 4.28 present the fitness of model used of the regression model in explaining the study phenomena. Existence of a written down policy on supply identification in the public procurement practices, existence of a written down policy on supply assessment in the public procurement practices and existence of a written down policy on supply evaluation in the public procurement practices were found to be satisfactory variables in explaining better poverty reduction rates of CDF projects. This is supported by coefficient of determination also known as the R square of 19.5%. This means that existence of a written down policy on supply identification in the public procurement practices, existence of a written down policy

on supply assessment in the public procurement practices and existence of a written down policy on supply evaluation in the public procurement practices explain 19.5% of the variations in the dependent variable which is better poverty reduction rates of CDF projects. These results further means that supplier relationship on its own does not influence the poverty reduction rates of CDF projects since the R squared was less than 50%.

Table 4.28: Model Fitness

Indicator	Coefficient
R	0.442
R Square	0.195
Adjusted R Square	0.162

Table 4.29 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically significant. Further, the results imply that supplier relationship is a good predictor of better poverty reduction rates of CDF projects. This was supported by an F statistic of 5.901 and the reported p value (0.001) which was less than the conventional probability of 0.05 significance level.

Table 4.29: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.563	3	0.188	5.901	0.001
Residual	2.32	73	0.032		
Total	2.883	76			

Regression of coefficients Results of table 4.30 shows that there is a positive and significant relationship between existence of a written down policy on supply identification in the public procurement practices and better poverty reduction rates of CDF projects as supported by beta coefficients of 0.183. In addition, table 4.42 shows that there is a positive but insignificant relationship between existence of a

written down policy on supply assessment in the public procurement practices, existence of a written down policy on supply evaluation in the public procurement practices and better poverty reduction rates of CDF projects. These results show that an increase in the existence of a written down policy on supply identification in the public procurement practices would result to an increase in better poverty reduction rates of CDF projects. These findings agree with those of Krause et al. (2007) who found that commitment of the buying firm to long-term relationships with major suppliers, shared goals and values with suppliers, and the involvement in supplier development initiatives were positively associated with the buying firm competitive performance in US automotive and electronics industries. These findings also agree with those of Tracey (1999) who indicated that supplier partnership enables both parties to improve decision making process, enhance knowledge sharing, advance communication, and improve the overall performance of both parties.

Table 4.30: Regression Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	0.773	0.049	15.788	0.000
Existence of a written down policy on supply identification in the public procurement practices	0.183	0.06	3.036	0.003
Existence of a written down policy on supply assessment in the public procurement practices	0.026	0.061	0.416	0.678
Existence of a written down policy on supply evaluation in the public procurement practices	0.032	0.064	0.495	0.622

$$\text{Poverty Reduction Rates} = 0.773 + 0.183 (\text{Supplier Identification}) + e$$

- i) To analyze the effect of supplier relationship on performance of CDF projects
- ii) H_{a2} : Supplier relationship has a significant effect on performance of CDF projects.

Accept H_{a2} if p value for any aspect of performance of CDF projects < 0.05

4.7 Procurement Ethics

4.7.1 Procurement Code of Ethics

The respondents were asked whether there exists a written down procurement code of ethics in the public procurement practices. Results of table 4.43 reveal that majority of the respondents (68.8%) indicated yes while 31.2% indicated no.

Table 4.31: Procurement Code of Ethics

Response	Frequency	Percent
No	24	31.2
Yes	53	68.8
Total	77	100

Results of Table 4.31 show that majority of the respondents indicated that existence of a written down procurement code of ethics in the public procurement practices has reduced misuse of funds in the projects. These findings have been supported by those of Velasquez (2002) who emphasizes on procurement ethics being important in procurement for the following reasons: procurement staffs are the representatives of their organization in dealing with suppliers, sound ethical conduct in dealing with suppliers is essential to the creation of long-term relationships and the establishment of supplier good will, it is impossible to claim professional status for procurement without reference to a consideration of its ethical aspects.

4.7.2 Quality Statement

The respondents were asked whether there exists a written down quality statement in the public procurement practices. Results of table 4.32 reveal that majority of the respondents (57.1%) indicated yes while 42.9% indicated no.

Table 4.32: Quality Statement

Response	Frequency	Percent
No	33	42.9
Yes	44	57.1
Total	77	100

Results of Table 4.32 show that majority of the respondents indicated that existence of a written down quality statement in the public procurement practices has reduced misuse of funds in the projects. These findings are supported by Karanja and Mugo (2010) who asserted that ethical behavior can also reduce the cost of managing risks associated with fraud, theft, corruption, and other improper behavior; and enhance confidence in public administration.

4.7.3 Service Delivery Statement

The respondents were asked whether there exists a written down service delivery statement in the public procurement practices. Results of table 4.33 reveal that majority of the respondents (72.7%) indicated yes while 27.3% indicated no.

Table 4.33: Service Delivery Statement

Response	Frequency	Percent
No	21	27.3
Yes	56	72.7
Total	77	100

Results of Table 4.33 show that majority of the respondents indicated that existence of a written down service delivery statement in the public procurement practices has decreased lead time for project completion, existence of a written down service delivery statement in the public procurement practices has decreased poverty levels and reduced misuse of funds in the projects. These findings are consistent with literature review by Wee (2002) who posited that an ethical behavior supports openness and accountability in a procurement process and gives suppliers confidence

to participate in the Government market place. Ethical behavior can also reduce the cost of managing risks associated with fraud, theft, corruption, and other improper behavior; and enhance confidence in public administration.

4.7.4 Relationship between Procurement Ethics and Performance of CDF Projects

The results presented in table 4.34 present the fitness of model used of the regression model in explaining the study phenomena. Existence of a written down procurement code of ethics in the public procurement practices, existence of a written down quality statement in the public procurement practices and existence of a written down service delivery statement in the public procurement practices were found to be satisfactory variables in explaining better lead time for completion of CDF projects. This is supported by coefficient of determination also known as the R square of 27.1%. This means that existence of procurement ethics explain 27.1% of the variations in the dependent variable which is better lead time for completion of CDF projects. This results further means that procurement ethics do not influence lead time of completion of CDF projects to a large extent since the R-squared was less than 50%.

Table 4.34: Model Fitness

Indicator	Coefficient
R	0.521
R Square	0.271
Adjusted R Square	0.241

Table 4.35 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically significant. Further, the results imply that procurement ethics is a good predictor of better lead time for completion of CDF projects. This was supported by an F statistic of 9.051 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 4.35: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.929	3	0.976	9.051	0.000
Residual	7.876	73	0.108		
Total	10.805	76			

Regression of coefficients Results of table 4.36 shows that there is a positive and significant relationship between existence of a written down service delivery statement in the public procurement practices and better lead time for completion of CDF projects as supported by beta coefficients of 0.345. In addition, table 4.54 shows that there is a positive but insignificant relationship between existence of a written down procurement code of ethics in the public procurement practices, existence of a written down quality statement in the public procurement practices and better lead time for completion of CDF projects. These results show that an increase in the existence of a written down service delivery statement in the public procurement practices would result to an increase in better lead time for completion of CDF projects. These findings are consistent with those of Wanyonyi and Muturi (2015) who sought to evaluate the factors affecting the performance of the procurement function among public technical training institutions in Kisumu County Kenya. The study concludes that information technology, ethics and staff competency have a positive effect on performance of the procurement function in technical training institutions.

Table 4.36: Regression Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	0.50	0.078	6.41	0.000
Existence of a written down procurement code of ethics in the public procurement practices	0.024	0.097	0.251	0.803
Existence of a written down quality statement in the public procurement practices	0.112	0.094	1.188	0.239
Existence of a written down service delivery statement in the public procurement practices	0.345	0.103	3.336	0.001

Lead Time for Project Completion = 0.50 + 0.024 (Procurement code of ethics) + e

4.7.4.2 Regression between Procurement Ethics and performance of CDF projects

The results presented in table 4.37 present the fitness of model used of the regression model in explaining the study phenomena. Existence of a written down procurement code of ethics in the public procurement practices, existence of a written down quality statement in the public procurement practices and existence of a written down service delivery statement in the public procurement practices were found to be satisfactory variables in explaining better fund utilization mechanism of CDF projects. This is supported by coefficient of determination also known as the R square of 20.8%. This means that existence of a written down procurement code of ethics in the public procurement practices, existence of a written down quality statement in the public procurement practices and existence of a written down service delivery statement in the public procurement practices explain 20.8% of the variations in the dependent variable which is better fund utilization mechanism of CDF projects. This results further means that procurement ethics do not affect the fund utilization mechanisms of CDF projects since the R-squared was less than 50%.

Table 4.37: Model Fitness

Indicator	Coefficient
R	0.456
R Square	0.208
Adjusted R Square	0.175

Table 4.38 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically significant. Further, the results imply that procurement ethics is a good predictor of better fund utilization mechanism of CDF projects. This was supported by an F statistic of 6.386 and the reported p value (0.001) which was less than the conventional probability of 0.05 significance level.

Table 4.38: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.323	3	0.441	6.386	0.001
Residual	5.041	73	0.069		
Total	6.364	76			

Regression of coefficients Results of table 4.39 shows that there is a positive and significant relationship between existence of a written down service delivery statement in the public procurement practices and better fund utilization mechanism of CDF projects as supported by beta coefficients of 0.217. In addition, table 4.57 reveals that there is a positive but insignificant relationship between existence of a written down procurement code of ethics in the public procurement practices, existence of a written down quality statement in the public procurement practices and better lead time for completion of CDF projects. These results show that an increase in the existence of a written down service delivery statement in the public procurement practices would result to an increase in better fund utilization mechanism of CDF projects. These findings concur with those of Segal and Summers (2002) who argued that accountability is government's obligation to

demonstrate effectiveness in carrying out goals and producing the types of services that the public wants and needs.

Table 4.39: Regression of Coefficients

Variable	B	Std. Error	T	Sig.
(Constant)	0.715	0.062	11.46	0.000
Existence of a written down procurement code of ethics in the public procurement practices	0.06	0.077	0.769	0.444
Existence of a written down quality statement in the public procurement practices	0.13	0.076	1.804	0.075
Existence of a written down service delivery statement in the public procurement practices	0.21	0.083	2.621	0.011

$$\text{Fund Utilization Mechanism} = 0.715 + 0.136 (\text{Quality Statement}) + e$$

4.7.4.3 Regression between Procurement Ethics and performance of CDF projects

The results presented in table 4.40 present the fitness of model used of the regression model in explaining the study phenomena. Existence of a written down procurement code of ethics in the public procurement practices, existence of a written down quality statement in the public procurement practices and existence of a written down service delivery statement in the public procurement practices were found to be satisfactory variables in explaining better poverty reduction rate of CDF projects. This is supported by coefficient of determination also known as the R square of 11.3%. This means that existence of a written down procurement code of ethics in the public procurement practices, existence of a written down quality statement in the public procurement practices and existence of a written down service delivery statement in the public procurement practices explain 11.3% of the variations in the dependent variable which is better poverty reduction rate of CDF projects. This

results further means that procurement ethics do not influence the poverty reduction rate to a large extent since the R-squared was less than 50%.

Table 4.40: Model Fitness

Indicator	Coefficient
R	0.337
R Square	0.113
Adjusted R Square	0.077

Table 4.41 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically significant. Further, the results imply that procurement ethics is a good predictor of better poverty reduction rate of CDF projects. This was supported by an F statistic of 3.111 and the reported p value (0.031) which was less than the conventional probability of 0.05 significance level.

Table 4.41: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.327	3	0.109	3.111	0.031
Residual	2.556	73	0.035		
Total	2.883	76			

Regression of coefficients Results of table 4.42 shows that there is a positive and significant relationship between existence of a written down service delivery statement in the public procurement practices and better poverty reduction rate of CDF projects as supported by beta coefficients of 0.128. In addition, table 4.60 reveals that there is a positive but insignificant relationship between existence of a written down procurement code of ethics in the public procurement practices, existence of a written down quality statement in the public procurement practices and better poverty reduction rate of CDF projects. These results show that an

increase in the existence of a written down service delivery statement in the public procurement practices would result to an increase in better poverty reduction rate of CDF projects. These findings are consistent with what Section 44 of the PPD Act (2005) states. The PPD Act requires that procurement entities to practice confidentiality in the procurement process. During or after procurement proceedings, no procuring entity and no employee or agent of the procuring entity or member of a board or committee of the procuring entity shall disclose information relating to a procurement whose disclosure would impede law enforcement or whose disclosure would not be in the public interest or information relating to a procurement whose disclosure would prejudice legitimate commercial interests or inhibit fair competition or information relating to the evaluation, comparison or clarification of tenders, proposals or quotations and the contents of tenders, proposals or quotations. The findings also concur with those of Wee (2002) who outlined that ethical behavior includes avoiding conflicts of interest, and not making improper use of an individual's position. Ethical behavior is important in public procurement as it involves the expenditure of public money, and is subject to public scrutiny. Public officials should always behave ethically and fairly, including in their business undertakings. Ethical behavior supports openness and accountability in a procurement process and gives suppliers confidence to participate in the Government market place. Ethical behavior can also reduce the cost of managing risks associated with fraud, theft, corruption, and other improper behavior; and enhance confidence in public administration.

Table 4.42: Regression Coefficients

Variable	B	Std. Error	T	Sig.
(Constant)	0.856	0.044	19.276	0.000
Existence of a written down procurement code of ethics in the public procurement practices	0.012	0.055	0.215	0.830
Existence of a written down quality statement in the public procurement practices	0.035	0.054	0.658	0.512
Existence of a written down service delivery statement in the public procurement practices	0.128	0.059	2.171	0.033

Poverty Reduction Rates = 0.856 + 0.128 (Service Delivery Statement) + e

iii) To evaluate the effect of procurement ethics on performance of CDF projects in Kenya.

iv) H₃: Procurement ethics has a significant effect on performance of CDF projects.

Accept H_{a3} if p value for any aspect of performance of CDF projects <0.05

4.8 Information Communication Technology

4.8.1 E-procurement

The respondents were asked whether there exist E-procurement services in the public procurement practices. Results of table 4.43 reveal that majority of the respondents (54.5%) indicated no while 45.5% indicated yes.

Table 4.43: E-procurement Services

Response	Frequency	Percent
No	42	54.5
Yes	35	45.5
Total	77	100

Results of Table 4.43 show that majority of the respondents indicated that existence of E-procurement services in the public procurement practices has reduced misuse of funds in the projects. These findings agree with those of Chaffey (2009) who asserted that the benefits of e-procurement include but are not limited to increased access to supply market, shorter procurement process time, improved audit process and reduced total acquisition costs.

4.8.2 E-Government

The respondents were asked whether there exist E-government services in the public procurement practices. Results of table 4.44 reveal that majority of the respondents (55.8%) indicted no while 44.2% indicated yes.

Table 4.44: E-Government Services

Response	Frequency	Percent
No	43	55.8
Yes	34	44.2
Total	77	100

Results of Table 4.44 show that majority of the respondents indicated that existence of E-government services in the public procurement practices has reduced misuse of funds in the projects. These findings are supported by those of Croom and Brandon-Jones (2007) posited that the state of internet connectivity in Kenya, the existing legal framework and government policies that guide the use of e-procurement in Kenya.

4.8.3 E-Commerce

The respondents were asked whether there exist E-commerce services in the procurement tendering process. Results of table 4.45 reveal that majority of the respondents (89.6%) indicated no while 10.4% indicated yes.

Table 4.45: E-Commerce Services

Response	Frequency	Percent
No	69	89.6
Yes	8	10.4
Total	77	100

Results of Table 4.45 show that majority of the respondents indicated that existence of E-commerce services in the procurement tendering process has reduced misuse of funds in the projects. These findings agree with those of Croom and Brandon-Jones (2007) who investigated the effects of e-commerce gathered from experiences of implementations in the public sector in the United Kingdom. Results revealed that e-commerce enhanced changes to governance structures, reduction to total cost of acquisition and changes to better organizational characteristics.

4.8.4 Relationship between Information Communication Technology and Performance of CDF Projects

The results presented in table 4.46 present the fitness of model used of the regression model in explaining the study phenomena. Existence of E-procurement services in the public procurement practices, existence of E-government services in the public procurement practices and existence of E-commerce services in the procurement tendering process were found to be satisfactory variables in explaining better lead time for completion of CDF projects. This is supported by coefficient of determination also known as the R square of 13.9%. This means that existence of E-procurement services in the public procurement practices, existence of E-government

services in the public procurement practices and existence of E-commerce services in the procurement tendering process explain 13.9% of the variations in the dependent variable which is better lead time for completion of CDF projects. This results further means that information communication technology on its own does not affect the lead time for completion of CDF projects to a large extent since the R squared was less than 50% .

Table 4.46: Model Fitness

Indicator	Coefficient
R	0.373
R Square	0.139
Adjusted R Square	0.104

Table 4.47 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically significant. Further, the results imply that the independent variables are good predictors of better lead time for completion of CDF projects. This was supported by an F statistic of 3.93 and the reported p value (0.012) which was less than the conventional probability of 0.05 significance level.

Table 4.47: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.502	3	0.501	3.93	0.012
Residual	9.303	73	0.127		
Total	10.805	76			

Regression of coefficients Results of table 4.48 shows that there is a positive and insignificant relationship between existence of E-procurement services in the public procurement practices, existence of E-government services in the public procurement practices, existence of E-commerce services in the procurement tendering process and better lead time for completion of CDF projects. These results show that change

in information communication technology does not affect better lead time for completion of CDF projects. These findings are consistent with those of Williams and Hardy (2006) who conducted a research for identifying the drivers of e-procurement in Australian organizations with the aim of understanding the resultant effect of the benefits and challenges that arise from the adoption of e-procurement practice. The study noted the following benefits of implementing e-procurement; superior supply chain integration, enhanced sourcing and lower employee overhead. The authors also identified software integration issues as the major challenge arising from the implementation of e-procurement and these issues include; the intricacy of aligning organizational culture with the new procurement systems, coordinating the inter-organizational information and lastly, the complexity of catalogue integration.

Table 4.48: Regression Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	0.687	0.059	11.595	0.000
Existence of E-procurement services in the public procurement practices	0.18	0.114	1.582	0.118
Existence of E-government services in the public procurement practices	0.126	0.114	1.104	0.273
Existence of E-commerce services in the procurement tendering process	0.064	0.141	0.456	0.649

$$\text{Lead Time for Project Completion} = 0.687 + e$$

4.8.4.2 Regression between Information Communication Technology and performance of CDF projects

The results presented in table 4.49 present the fitness of model used of the regression model in explaining the study phenomena. Existence of E-procurement services in the public procurement practices, existence of E-government services in the public procurement practices and existence of E-commerce services in the procurement

tendering process were found to be satisfactory variables in explaining better fund utilization mechanism of CDF projects. This is supported by coefficient of determination also known as the R square of 8.6%. This means that existence of E-procurement services in the public procurement practices, existence of E-government services in the public procurement practices and existence of E-commerce services in the procurement tendering process explain 8.6% of the variations in the dependent variable which is better fund utilization mechanism of CDF projects. This results further means information communication technology on its own does not influence the fund utilization mechanism of CDF projects to a large extent as the R squared is below 50%.

Table 4.49: Model Fitness

Indicator	Coefficient
R	0.293
R Square	0.086
Adjusted R Square	0.048

Table 4.50 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically insignificant. Further, the results imply that the information communication technology is not a good predictor of better fund utilization mechanism of CDF projects.

Table 4.50: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.547	3	0.182	2.29	0.085
Residual	5.816	73	0.08		
Total	6.364	76			

Regression of coefficients Results of table 4.51 shows that there is a positive and insignificant relationship between existence of E-procurement services in the public procurement practices, existence of E-government services in the public procurement

practices, existence of E-commerce services in the procurement tendering process and better fund utilization mechanism of CDF projects. These results show that change in information communication technology does not affect better fund utilization mechanism of CDF projects. These findings agree with those of Croom and Brandon-Jones (2007) who sought to determine the effects of e-procurement gathered from experiences of implementations in the public sector in the United Kingdom covering three broad aspects which include changes to governance structures, changes to total cost of acquisition and lastly, changes to organizational characteristics.

Table 4.51: Regression Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	0.826	0.047	17.633	0.000
Existence of E-procurement services in the public procurement practices	0.033	0.09	0.361	0.719
Existence of E-government services in the public procurement practices	0.135	0.09	1.499	0.138
Existence of E-commerce services in the procurement tendering process	0.081	0.111	0.73	0.468

$$\text{Fund Utilization Mechanism} = 0.826 + e$$

4.8.4.3 Regression between Information Communication Technology and performance of CDF projects

The results presented in table 4.52 present the fitness of model used of the regression model in explaining the study phenomena. Existence of E-procurement services in the public procurement practices, existence of E-government services in the public procurement practices and existence of E-commerce services in the procurement tendering process were found to be satisfactory variables in explaining better poverty reduction rates of CDF projects. This is supported by coefficient of determination

also known as the R square of 4.1%. This means that existence of E-procurement services in the public procurement practices, existence of E-government services in the public procurement practices and existence of E-commerce services in the procurement tendering process explain 4.1% of the variations in the dependent variable which is better poverty reduction rates of CDF projects. This results further means that information communication technology on its own does not affect the poverty reduction rate to a large extent since the R squared is way below 50%.

Table 4.52: Model Fitness

Indicator	Coefficient
R	0.202
R Square	0.041
Adjusted R Square	0.001

Table 4.53 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically insignificant. Further, the results imply that the information communication technology is not a good predictor of better poverty reduction rates of CDF projects.

Table 4.53: Analysis of Variance

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	0.118	3	0.039	1.037	0.382
Residual	2.765	73	0.038		
Total	2.883	76			

Regression of coefficients Results of table 4.54 shows that there is a positive and insignificant relationship between existence of E-procurement services in the public procurement practices, existence of E-government services in the public procurement practices, existence of E-commerce services in the procurement tendering process and better poverty reduction rates of CDF projects. These results show that change in information communication technology does not affect better poverty reduction

rates of CDF projects. The results of the study are consistent with those of Edwards (2011) investigated the extent of the usage of e-procurement among the professionals from sectors such as government, private companies and consultancies. They found that seventeen percent of the organizations use e-procurement and that adoption was affected by the size of the organizations. The authors further identified that medium-sized organizations which have employed between 21-50 people are the ones that constitute the highest users of e-procurement within the construction industry in the United Kingdom. The authors also noted that the very small companies were discouraged from implementing e-procurement due to software cost.

Table 4.54: Regression Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	0.687	0.059	11.595	0.000
Existence of E-procurement services in the public procurement practices	0.18	0.114	1.582	0.118
Existence of E-government services in the public procurement practices	0.126	0.114	1.104	0.273
Existence of E-commerce services in the procurement tendering process	0.064	0.141	0.456	0.649

Poverty Reduction Rates = $0.687 + e$

iv) To establish the effect of information communication technology on performance of CDF projects in Kenya.

H₀₄: Information communication and technology do not have a significant effect on performance of CDF projects

Reject H₀₄ since p value of ICT on performance of CDF projects **0.05 < 0.498**,

4.9 Government Policy

4.9.1 Procurement Procedures

The respondents were asked whether there exist a clearly outlined and written down procurement procedures in the public procurement practices. Results of table 4.55 reveal that majority of the respondents (98.7%) indicted yes while 1.3% indicated no.

Table 4.55 Procurement Procedures

Response	Frequency	Percent
No	1	1.3
Yes	76	98.7
Total	77	100

Results of Table 4.56 show that majority of the respondents indicated that existence of a clearly outlined and written down procurement procedures in the public procurement practices has reduced misuse of funds in the projects. These findings are consistent with those of Ahmed Shafiqul Huque (2010) who asserted that accountability and governance: strengthening extra-bureaucratic mechanism in Bangladesh- the research findings illustrated that “central to good governance and a special aspect of the rule of law is the efficient and accountable management of public finances”

4.9.2 Tendering Methods

The respondents were asked whether there a clearly outlined and written down policy on tendering methods in the public procurement practices. Results of table 4.59 reveal that majority of the respondents (97.4%) indicted yes while 2.6% indicated no.

Table 4.56: Tendering Methods Policy

Response	Frequency	Percent
No	2	2.6
Yes	75	97.4
Total	77	100

Results of Table 4.57 show that majority of the respondents indicated that existence of a clearly outlined and written down policy on tendering methods in the public procurement practices has reduced misuse of funds in the projects. These findings are supported by Lenders and Pearson (2003) who argues that purchasing and material management requires a wide range of standard operating procedure to deal with the normal daily tasks. The higher the volume in quantities and funds involved the higher the need to sound system.

4.9.3 Regulatory Framework

The respondents were asked whether there a clearly outlined regulatory framework in the public procurement practices. Results of table 4.85 reveal that majority of the respondents (90.9%) indicted yes while 9.1% indicated no.

Table 4.57: Regulatory Framework

Response	Frequency	Percent
No	7	9.1
Yes	70	90.9
Total	77	100

Results of Table 4.58 show that majority of the respondents indicated that existence of a clearly outlined regulatory framework in the public procurement practices has reduced misuse of funds in the projects. These findings are consistent with those of the World Bank (2006) which postulated that prudent management of public procurement systems has been identified a very important to accelerated national

development. For this reason, successive governments have realized that reformation in the procurement laws is a justification for judicious use of the taxpayer’s money.

4.10 Performance of CDF Projects

The respondents were asked to indicate whether the lead time for completion of their CDF project is better compared to other CDF projects. Majority of the respondents (83.1%) indicated yes. The respondents were also asked to indicate whether the funds utilization mechanism of their CDF project is better compared to other CDF projects. Majority of the respondents (90.9%) indicated yes. Further, the respondents were asked to indicate whether the poverty reduction rate of their CDF project is better compared to other CDF projects. Majority of the respondents (96.1%) indicated yes.

Table 4.58: Performance of CDF Projects

Statement	Indicator	Percent
Compared to other CDF projects, the lead time for completion of our CDF project is better	No	16.9
	Yes	83.1
	Total	100.00
Compared to other CDF projects, the funds utilization mechanism of our CDF project is better	No	9.1
	Yes	90.9
	Total	100.00
Compared to other CDF projects, the poverty reduction rate of our CDF project is better	No	3.9
	Yes	96.1
	Total	100.00

4.11 Multivariate Multiple Linear Regression

4.11.1 Regression between the Capacity building and Performance of CDF Projects

The results presented in table 4.59 present the fitness of model used of the regression model in explaining the study phenomena. Existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies, existence a training budget for project procurement staff and existence of frequent training for project procurement staff were found to be satisfactory variables in explaining performance of CDF projects. This is supported by coefficient of determination also known as the R square of 66.1%. This means that existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies, existence a training budget for project procurement staff and existence of frequent training for project procurement staff explain 66.1% of the variations in the dependent variable which is performance of CDF projects. This results further means that the model applied to link the relationship of the variables was satisfactory.

Table 4.59: Model Fitness

Indicator	Coefficient
R	0.813
R Square	0.661
Adjusted R Square	0.647

The F-statistic in the linear model output display is the test statistic for testing the statistical significance of the model. The F-statistic values in the ANOVA display are for assessing the significance of the variables in the model (Cooper & Schindler, 2008).

Table 4.60 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically significant. Further, the

results imply that capacity building is a good predictor of performance of CDF projects. This was supported by an F statistic of 47.431 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 4.60: Analysis of Variance

Indicator	Sum of Squares	d.f	Mean Square	F	Sig.
Regression	3.094	3	1.031	47.431	0.000
Residual	1.587	73	0.022		
Total	4.681	76			

In linear regression, the t-statistic is useful for making inferences about the regression coefficients. The hypothesis test on the variables tests the null hypothesis that it is equal to zero, meaning the corresponding term is not significant, versus the alternate hypothesis that the coefficient is different from zero. T-statistic tests for the significance of each term given other terms in the model (Cooper & Schindler, 2008).

Regression of coefficients Results of table 4.61 shows that there is a positive and significant relationship between existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies, existence a training budget for project procurement staff and performance of CDF projects as supported by beta coefficients of 0.209 and 0.664 respectively. In addition, table 4.91 shows that there is a positive but insignificant relationship between, professional competencies and existence of frequent training for project procurement staff and performance of CDF projects. These results show that an increase in the existence of a written policy on hiring project procurement staff based on their qualifications and existence a training budget for project procurement staff would result to an increase in performance of CDF projects. These findings agree with those of Fox, Ward and Howard (2002) who argued that building organizational capacity typically involves four steps: diagnosing what is missing or needed in the organization, planning strategies to change the situation, educating personnel to carry

out change, and evaluating results. As an organization engages in these activities it acquires new knowledge about organizational actions and outcomes. Organizational capacity expands when learning goes beyond solving a specific problem to gaining the skills and knowledge to solve future problems.

Table 4.61: Regression Coefficients

Variable	Std.			
	B	Error	t	Sig.
(Constant)	0.03		0.40	
Existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies	1	0.076	9	0.684
Existence a training budget for project procurement staff	0.20		2.96	
Existence of frequent training for project procurement staff	9	0.07	9	0.004
	0.66		7.04	
	4	0.094	5	0.000
	0.06		1.39	
	4	0.046	6	0.167

Performance of CDF Projects = 0.102 + 0.209 (Hiring Policy) + 0.664 (Training Budget) + e

4.11.2 Regression between the Supplier Relationship and Performance of CDF Projects

The results presented in table 4.62 present the fitness of model used of the regression model in explaining the study phenomena. Existence of a written down policy on supply identification in the public procurement practices, existence of a written down policy on supply assessment in the public procurement practices and existence of a written down policy on supply evaluation in the public procurement practices were found to be satisfactory variables in explaining performance of CDF projects. This is supported by coefficient of determination also known as the R square of 32%. This

means that existence of a written down policy on supply identification in the public procurement practices, existence of a written down policy on supply assessment in the public procurement practices and existence of a written down policy on supply evaluation in the public procurement practices explain 32% of the variations in the dependent variable (performance of CDF projects). This results further means that supplier relationship on its own does not influence the performance of CDF projects since the R squared was less than 50%.

Table 4.62: Model Fitness

Indicator	Coefficient
R	0.565
R Square	0.32
Adjusted R Square	0.292

Table 4.63 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically significant. Further, the results imply that supplier relationship is a good predictor of the performance of CDF projects. This was supported by an F statistic of 11.428 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 4.63: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.50	3.00	.50	11.428	0.000
Residual	3.19	73.00	.04		
Total	4.681	76			

Regression of coefficients Results of table 4.64 shows that there is a positive and significant relationship between existence of a written down policy on supply identification in the public procurement practices and the performance of CDF projects as supported by beta coefficients of 0.282. In addition, table 4.94 shows that there is a positive but insignificant relationship between existence of a written down

policy on supply assessment in the public procurement practices, existence of a written down policy on supply evaluation in the public procurement practices and better lead time for completion of CDF projects. These results show that an increase in the existence of a written down policy on supply identification in the public procurement practices would result to an increase in better performance of CDF projects. These findings agree with those of Shin, Collier and Wilson (2000) who sought to investigate supply management orientation (SMO) on supplier's and buyer's performances in 176 automotive firms in the US. They measured SMO in terms of long-term relationships with suppliers, supplier participation in new product development, limited number of suppliers, and selecting suppliers based on quality considerations. They found that SMO positively affected supplier's and buyer's performance in terms of quality and delivery. However, they found that SMO did not affect buyer's performance in terms of cost and flexibility.

Table 4.64: Regression Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	0.60	0.057	10.368	0.000
Existence of a written down policy on supply identification in the public procurement practices	0.282	0.071	3.999	0.000
Existence of a written down policy on supply assessment in the public procurement practices	0.043	0.072	0.592	0.556
Existence of a written down policy on supply evaluation in the public procurement practices	0.069	0.075	0.927	0.357

$$\text{Performance of CDF Projects} = 0.44 + 0.282 (\text{Supplier Identification}) + e$$

4.11.3 Regression between the Procurement Ethics and Performance of CDF Projects

The results presented in table 4.65 present the fitness of model used of the regression model in explaining the study phenomena. Existence of a written down procurement code of ethics in the public procurement practices, existence of a written down quality statement in the public procurement practices and existence of a written down service delivery statement in the public procurement practices were found to be satisfactory variables in explaining the performance of CDF projects. This is supported by coefficient of determination also known as the R square of 27.6%. This means that existence of procurement ethics explain 27.6% of the variations in the dependent variable which is performance of CDF projects. This results further means that procurement ethics do not influence performance of CDF projects to a large extent since the R-squared was less than 50%.

Table 4.65: Model Fitness

Indicator	Coefficient
R	0.526
R Square	0.276
Adjusted R Square	0.246

Table 4.66 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically significant. Further, the results imply that procurement ethics is a good predictor of the performance of CDF projects. This was supported by an F statistic of 9.257 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 4.66: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.29	3	0.43	9.257	0.000
Residual	3.391	73	0.046		
Total	4.681	76			

Regression of coefficients Results of table 4.67 shows that there is a positive and significant relationship between existence of a written down service delivery statement in the public procurement practices and performance of CDF projects as supported by beta coefficients of 0.230. In addition, table 4.70 shows that there is a positive but insignificant relationship between existence of a written down procurement code of ethics in the public procurement practices, existence of a written down quality statement in the public procurement practices and better lead time for completion of CDF projects. These results show that an increase in the existence of a written down service delivery statement in the public procurement practices would result to an increase in performance of CDF projects. These findings are consistent with those of Wanyonyi and Muturi (2015) who sought to evaluate the factors affecting the performance of the procurement function among public technical training institutions in Kisumu County Kenya. The study concludes that information technology, ethics and staff competency have a positive effect on performance of the procurement function in technical training institutions.

Table 4.67: Regression Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	0.69	0.051	13.492	0.000
Existence of a written down ethical statement in the public procurement practices	0.016	0.064	-0.247	0.805
Existence of a written down quality statement in the public procurement practices	0.095	0.062	1.527	0.131
Existence of a written down service delivery statement in the public procurement practices	0.23	0.068	3.388	0.001

$$\text{Performance of CDF Projects} = 0.50 + 0.230 (\text{Service Delivery Statement}) + e$$

4.11.4 Regression between the ICT and Performance of CDF Projects

The results presented in table 4.68 present the fitness of model used of the regression model in explaining the study phenomena. Existence of E-procurement services in the public procurement practices, existence of E-government services in the public procurement practices and existence of E-commerce services in the procurement tendering process were found to be satisfactory variables in explaining performance of CDF projects. This is supported by coefficient of determination also known as the R square of 11.3%. This means that existence of E-procurement services in the public procurement practices, existence of E-government services in the public procurement practices and existence of E-commerce services in the procurement tendering process explain 11.3% of the variations in the dependent variable which is performance of CDF projects. This results further means that information communication technology on its own does not affect the performance of CDF projects to a large extent since the R squared was less than 50 per cent .

Table 4.68: Model Fitness

Indicator	Coefficient
R	0.336
R Square	0.113
Adjusted R Square	0.077

Table 4.69 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically significant. Further, the results imply that the independent variables are good predictors of the performance of CDF projects. This was supported by an F statistic of 3.099 and the reported p value (0.032) which was less than the conventional probability of 0.05 significance level.

Table 4.69 Analysis of the Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.529	3	0.176	3.099	0.032
Residual	4.152	73	0.057		
Total	4.681	76			

Regression of coefficients Results of table 4.70 shows that there is a positive and insignificant relationship between existence of E-procurement services in the public procurement practices, existence of E-government services in the public procurement practices, existence of E-commerce services in the procurement tendering process and performance of CDF projects. These results show that change in information communication technology does not affect the performance of CDF projects. These findings are consistent with those of Williams and Hardy (2006) who conducted a research for identifying the drivers of e-procurement in Australian organizations with the aim of understanding the resultant effect of the benefits and challenges that arise from the adoption of e-procurement practice. The study noted the following benefits of implementing e-procurement; superior supply chain integration, enhanced sourcing and lower employee overhead. The authors also identified software integration issues as the major challenge arising from the implementation of e-procurement and these issues include; the intricacy of aligning organizational culture with the new procurement systems, coordinating the inter-organizational information and lastly, the complexity of catalogue integration.

Table 4.70: Regression Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	0.817	0.04	20.626	0.000
Existence of E-procurement services in the public procurement practices	0.056	0.076	0.738	0.463
Existence of E-government services in the public procurement practices	0.12	0.076	1.571	0.12
Existence of E-commerce services in the procurement tendering process	0.053	0.094	0.563	0.575

$$\text{Performance of CDF Projects} = 0.687 + e$$

4.12 Diagnostic Tests

4.12.1 Multi-co linearity test

According to William *et al.* (2013), multi-collinearity refers to the presence of correlations between the predictor variables. In severe cases of perfect correlations between predictor variables, multi-collinearity can imply that a unique least squares solution to a regression analysis cannot be computed (Field, 2009). Multi-collinearity inflates the standard errors and confidence intervals leading to unstable estimates of the coefficients for individual predictors (Belsley *et al.*, 1980). Correlation analysis was used to conduct the multi-collinearity test. The rule of the thumb is that a correlation between independent variables of more than 0.8 is an indicator of serious multi-collinearity.

Correlation results indicate that there was no multi-collinearity between the independent variables, moderating variable and the dependent variable. This was supported by the fact that the pearson correlation coefficient for all the variables was less than 0.8. The pearson correlation coefficients for capacity building, supplier relationship, procurement ethics information communication technology and government policy was 0.730, 0.509, 0.471, 0.331 and 0.604 respectively all the values were less than 0.8 as shown in table 4.101.

Table 4.71: Multi-co linearity Test using Correlation Analysis

Variable		Performance of CDF Projects	Capacity Building	Supplier Relationship	Procurement Ethics	Information Communication Technology	Government Policy
Performance of CDF Projects	Pearson Correlation Sig. (2-tailed)	1					
Capacity Building	Pearson Correlation Sig. (2-tailed)	0.73 0.000	1				
Supplier Relationship	Pearson Correlation Sig. (2-tailed)	0.509 0.000	0.57 0.000	1			
Procurement Ethics	Pearson Correlation Sig. (2-tailed)	0.471 0.000	0.471 0.000	0.715 0.000	1		
Information Communication Technology	Pearson Correlation Sig. (2-tailed)	0.331 0.003	0.296 0.009	0.514 0.000	0.583 0.000	1	
Government Policy	Pearson Correlation Sig. (2-tailed)	0.604 0.000	0.581 0.000	0.462 0.000	0.386 0.001	0.234 0.041	1

4.12.2 Test for Normality of Residuals

The test for normality was first examined using the graphical method approach as shown in the Figure 4.1 below. The results in the figure indicate that the residuals are normally distributed.

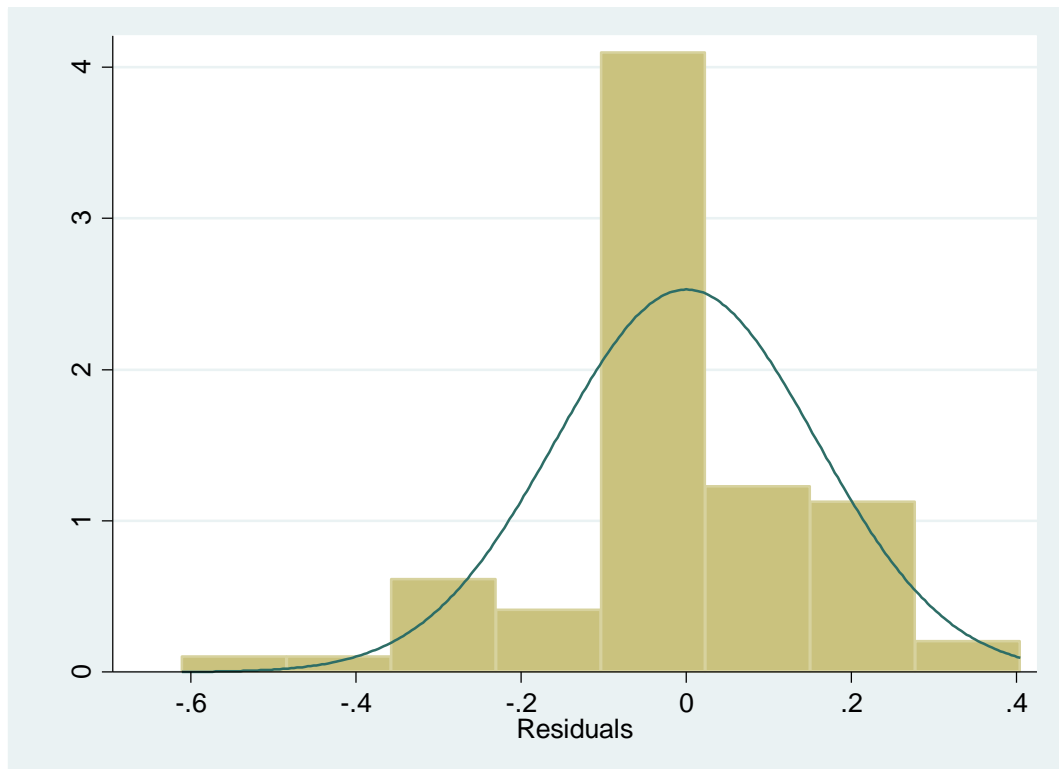


Figure 4.1: Graphical Examination of Normality of residuals

4.12.3 Test for Heteroscedasticity

The error process may be Homoskedastic within cross-sectional units, but its variance may differ across units: a condition known as group wise Heteroscedasticity. The hettest command calculates a modified Wald statistic for group wise Heteroscedasticity in the residuals. The null hypothesis specifies that $\sigma_i^2 = \sigma^2$ for $i = 1 \dots Ng$, where Ng is the number of cross-sectional units. The results in

Table 4.72 indicate that the null hypothesis of Homoskedastic error terms is not rejected as supported by a p-value of 0.072.

Table 4.72: Test of Heteroskedasticity

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity	
Ho: Constant variance	
Variables: fitted values of Performance of CDF Projects	
chi2 (1)	= 28.22
Prob. > chi 2 =	0.072

4.13 Multiple Linear Regression before Moderation

The results presented in table 4.73 present the fitness of model used of the regression model in explaining the study phenomena. Capacity building, supplier relationship, procurement ethics, information communication technology and government policy were found to be satisfactory variables in explaining performance of CDF projects. This is supported by coefficient of determination also known as the R square of 59.6%. This means that capacity building, supplier relationship, procurement ethics, information communication technology and government policy explain 59.6% of the variations in the dependent variable which is performance of CDF projects. This results further means that the model applied to link the relationship of the variables was satisfactory.

Table 4.73: Model Fitness

Indicator	Coefficient
R	0.772
R Square	0.596
Adjusted R Square	0.568

Table 4.74 provides the results on the analysis of the variance (ANOVA). The Results indicate that the overall model was statistically significant. Further, the results imply that the independent variables are good predictors of performance of CDF projects. This was supported by an F statistic of 20.998 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 4.74: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.792	5	0.558	20.988	0.000
Residual	1.889	71	0.027		
Total	4.681	76			

Regression of coefficients Results of table 4.75 shows that there is a positive and significant relationship between capacity building and performance of CDF projects as supported by a p value of 0.000 and a beta coefficient of 0.526. These results show that increase in capacity building by one unit would result to an increase in performance of CDF projects by 0.526 units.

Regression of coefficients Results of table 4.75 also shows that there is a positive and significant relationship between supplier relationship and performance of CDF projects as supported by a p value of 0.009 a beta coefficient of 0.003. These results show that increase in supplier relationship by one unit would result to an increase in performance of CDF projects by 0.003 units.

Further, Regression of coefficients Results of table 4.75 shows that there is a positive and significant relationship between procurement ethics and performance of CDF projects as supported by a p value of 0.004 a beta coefficient of 0.059. These results show that increase in procurement ethics by one unit would result to an increase in performance of CDF projects by 0.059 units. These findings are consistent with those of Wanyonyi and Muturi (2015) who sought to evaluate the factors affecting

the performance of the procurement function among public technical training institutions in Kisumu County Kenya. The study concluded that ethics have a positive effect on performance of the procurement function in technical training institutions.

Regression of coefficients Results of table 4.75 also shows that there is a positive and significant relationship between government policy and performance of CDF projects as supported by a p value of 0.010 a beta coefficient of 0.397. These results show that increase in government policy by one unit would result to an increase in performance of CDF projects by 0.397 units.

Table 4.105 also shows that there exists a positive but insignificant relationship between information communication technology and performance of CDF projects. These findings are not consistent with those of Wanyonyi and Muturi (2015) who sought to evaluate the factors affecting the performance of the procurement function among public technical training institutions in Kisumu County Kenya. The study concluded that information technology have a positive effect on performance of the procurement function in technical training institutions.

Table 4.75: Regression Coefficients

Variable	B	Std. Error	T	Sig.
(Constant)	0.004	0.118	0.032	0.974
Capacity Building	0.526	0.103	5.124	0.000
Supplier Relationship	0.003	0.001	1.989	0.009
Procurement Ethics	0.059	0.021	2.781	0.004
Information Communication Technology	0.052	0.073	0.713	0.478

Performance of CDF Projects =0.004 + 0.526 (Capacity Building) + 0.003 (Supplier Relationship) + 0.059 (Procurement Ethics) + e

Hypothesis Testing

Capacity Building

H₁: Capacity building has a significant effect on performance of CDF projects.

H₀₁: Capacity building does not have a significant effect on performance of CDF projects.

Since the calculated p value of the interaction is **0.000<0.05**, the null hypothesis is rejected and the alternative accepted.

Supplier Relationship

H₂: Supplier relationship has a significant effect on performance of CDF projects.

H₀₂: Supplier relationship does not have a significant effect on performance of CDF projects.

Since the calculated p value of the interaction is **0.009<0.05**, the null hypothesis is rejected and the alternative accepted.

Procurement Ethics

H₃: Procurement ethics has a significant effect on performance of CDF projects.

H₀₃: Procurement ethics do not have a significant effect on performance of CDF projects.

Since the calculated p value of the interaction is **0.004<0.05**, the null hypothesis is rejected and the alternative accepted.

Information Communication Technology

H₄: Information communication and technology has a significant effect on performance of CDF projects.

H₀₄: Information communication and technology do not have a significant effect on performance of CDF projects.

Since the calculated p value of the interaction is **0.478 > 0.05**, the null hypothesis is accepted and the alternative rejected.

4.14 Moderating Effect of Government Policy

Results in table 4.76 shows that a combination of all the public procurement practices (capacity building, supplier relationship, procurement ethics and ICT) has a positive and significant relationship with the performance of CDF projects. This was supported by a beta coefficient of 4.158 and a p value of 0.000. Table 4.106 also shows that government policy has a positive and significant relationship with the performance of CDF projects. This was supported by a beta coefficient of 1.122 and a p value of 0.000. Further, results in table 4.99 show that has a negative and significant moderating effect on the relationship between public procurement practices and the performance of CDF projects. This was supported by a beta coefficient of 3.185 and a p value of 0.000. This implies that government policies dampen the performance of CDF projects.

Table 4.76: Moderating Effect of Government Policy on Overall Performance

Variable	B	Std. Error	T	Sig.
(Constant)	-0.519	0.188	-2.764	0.007
Composite Public Procurement Practices	4.158	0.973	4.274	0.000
Government Policy	1.222	0.206	5.945	0.000
Moderating Effect of Government Policy	-3.815	0.978	-3.9	0.000

Performance of CDF Projects = -0.519 + 4.158 (Public Procurement Practices) + 1.222 (Government Policy) – 3.815 (Moderating Effect of Government Policy) + *e*

Hypothesis Testing

H₅: Government policy has a significant moderating effect on the relationship between public procurement practices and performance of selected CDF projects in Kenya.

H₀₅: Government policy does not have a significant effect on the relationship between public procurement practices and performance of selected CDF projects in Kenya.

Since the calculated p value of the interaction is **0.000<0.05**, the null hypothesis is rejected and the alternative hypothesis accepted.

Table 4.77: Summary of Research Hypotheses Test Results

<p>Research Objective Hypotheses Test Results Objective 1: To determine how capacity building influence on performance of CDF projects in Kenya</p>	<p>Hypothesis 1: Ha₁: Capacity building has a significant effect on performance of CDF projects in Kenya.</p>	<p>Accept Ha₁ if p value for any aspect of performance of CDF projects <0.05 Ha₁ hypothesis was accepted</p>
<p>Objective 2: To analyze the effect of supplier relationship on performance of CDF projects in Kenya.</p>	<p>Hypothesis 2: Ha₂: Supplier relationship has a significant effect on performance of CDF projects in Kenya.</p>	<p>Accept Ha₂ if p value for any aspect of performance of CDF projects <0.05 Ha₁ hypothesis was accepted</p>
<p>Objective 3: To evaluate the effect of procurement ethics on performance of CDF projects in Kenya</p>	<p>Hypothesis 3: Ha₃: Procurement ethics has a significant effect on performance of CDF projects in Kenya.</p>	<p>Accept Ha₃ if p value for any aspect of performance of CDF projects <0.05 Ha₁ hypothesis was accepted</p>
<p>Objective 4: To establish the effect of information communication technology on performance of CDF projects in Kenya.</p>	<p>Hypothesis 4: Ha₄: Information communication technology has a significant effect on performance of CDF projects in Kenya.</p>	<p>Accept Ha₄ if p value for any aspect of performance of CDF projects <0.05 Ha₁ hypothesis was rejected</p>
<p>Objective 5: To determine the moderating effect of government policy on the relationship between public procurement practices and performance of CDF projects in Kenya.</p>	<p>Hypothesis 5: H₀: There is significant moderating effect of government policy on the relationship between public procurement practices and performance of CDF projects in Kenya.</p>	<p>Null hypothesis rejected and alternative hypothesis was accepted</p>

4.15 Optimal Conceptual Framework

Based on the conceptual framework and the research results, the following optimal conceptual model and relationships between the independent, moderating and dependent variable have been developed.

From the study findings, the optimal conceptual framework is.

The optimal model is

$$\text{Performance of CDF Projects} = 0.004 + 0.526 (\text{Capacity Building}) + 0.003 (\text{Supplier Relationship}) + 0.059 (\text{Procurement Ethics}) - 3.815 (\text{Moderating Effect of Government Policy}) + e$$

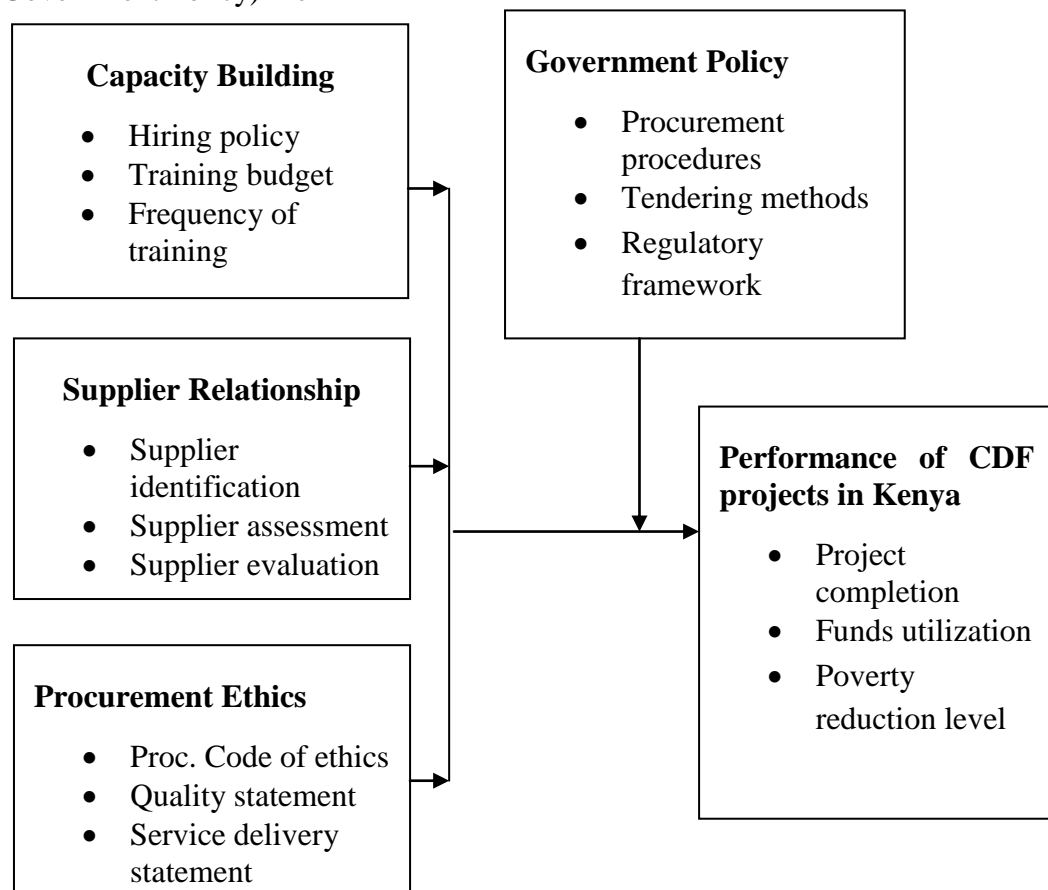


Figure 4.2: Public Procurement Practices and Performance of CDF Projects Optimal Model

Chapter four has presented findings regarding the respondents, CDF demographics, and descriptive statistics of the study variables based on frequencies, mean scores and standard deviations. The chapter also has presented hypotheses tested using ANOVA and multiple regression analyses. Results indicated that all the five hypotheses tested four were accepted and one was rejected. Results suggest that project managers and committee members to ensure effective management of CDF projects for improved performance .and poverty reduction.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter deals with the summary of the findings, the conclusion and recommendations. This was done in line with the objectives of the study. Areas of further research were suggested and limitations of the study were taken into account.

5.2 Summary

This section summarizes the findings that were obtained in chapter four.

5.2.1 Capacity Building

The first objective was to determine how capacity building influence on performance of CDF projects in Kenya. Results indicated that most of the CDF projects had a written policy on hiring project procurement staff based on their qualifications and professional competencies. Results also revealed that most of the CDF projects had a training budget for project procurement staff. Further, results showed that most of the CDF projects had frequent training for project procurement staff. Having a written policy on hiring project procurement staff based on their qualifications and professional competencies, having a training budget for project procurement staff and having frequent training for project procurement staff resulted to decreased lead time for project completion, decreased poverty levels in the constituencies and reduced misuse of funds in the projects.

The bivariate regression Results indicated that existence of a training budget for project procurement staff resulted to better lead time for completion of CDF projects. Bivariate regression results also showed that existence of a written policy on hiring project procurement staff based on their qualifications and professional competencies and existence a training budget for project procurement staff resulted to better fund utilization mechanism of CDF projects. Further, the bivariate

regression results showed that existence a training budget for project procurement staff resulted to better poverty reduction rates of CDF projects.

The multivariate regression results indicated that capacity building influenced better lead time for completion of CDF projects, better fund utilization of CDF projects and better poverty reduction rates of CDF projects. The overall regression results revealed that capacity building influenced performance of CDF projects.

5.2.2 Supplier Relationship

The second objective was to analyze the effect of supplier relationship on performance of CDF projects in Kenya. Results indicated that most of the CDF projects had a written down policy on supply identification in the public procurement practices. Results also indicated that most of the CDF projects had a written down policy on supply assessment in the public procurement practices. Further, Results indicated that most of the CDF projects had a written down policy on supply evaluation in the public procurement practices. The bivariate regression Results indicated that existence of a written down policy on supply identification in the public procurement practices resulted to better lead time for completion of CDF projects. The bivariate results also showed that existence of a written down policy on supply identification in the public procurement practices resulted to better fund utilization mechanism of CDF projects. Further, the bivariate results revealed that existence of a written down policy on supply identification in the public procurement practices resulted to better poverty reduction rates of CDF projects.

The multivariate regression Results indicated that supplier relationship influenced better lead time for completion of CDF projects, better fund utilization of CDF projects and better poverty reduction rates of CDF projects. The overall regression results revealed that supplier relationship influenced performance of CDF projects.

5.2.3 Procurement Ethics

The third objective was to evaluate the effect of procurement ethics on performance of CDF projects in Kenya. Results indicated that most of the CDF projects had a written down procurement code of ethics in the public procurement practices. Results also indicated that most of the CDF projects had a written down quality statement in the public procurement practices. Further, Results indicated that most of the CDF projects had a written down service delivery statement in the public procurement practices. Having a written policy on procurement code of ethics, a quality statement and service delivery statement in the public procurement practices resulted to decreased lead time for project completion, decreased poverty levels in the constituencies and reduced misuse of funds in the projects.

The bivariate regression Results indicated that existence of a written down service delivery statement in the public procurement practices resulted to better lead time for completion of CDF projects. The bivariate regression results also indicated that existence of a written down service delivery statement in the public procurement practices resulted to better fund utilization mechanism of CDF projects. Further, the bivariate regression Results indicated that existence of a written down service delivery statement in the public procurement practices resulted to better poverty reduction rate of CDF projects.

The multivariate regression results indicated that procurement ethics influenced better lead time for completion of CDF projects, better fund utilization of CDF projects and better poverty reduction rates of CDF projects. The overall regression results revealed that procurement ethics influenced performance of CDF projects.

5.2.4 Information Communication Technology

The fourth objective was to establish the effect of information communication technology on performance of CDF projects in Kenya. Results indicated that most of the CDF projects did not have E-procurement services in the public procurement

practices. Results also indicated that most of the CDF projects did not have E-government services in the public procurement practices. Further, Results indicated that most of the CDF projects did not have E-commerce services in the procurement tendering process. Failure to have E-procurement services in the public procurement practices, E-government services in the public procurement practices and E-commerce services in the procurement tendering process resulted to increased lead time for project completion, increased poverty levels in the constituencies and increased misuse of funds in the projects.

The bivariate regression Results indicated that existence of E-procurement services in the public procurement practices, existence of E-government services in the public procurement practices, existence of E-commerce services in the procurement tendering process did not affect better lead time for completion of CDF projects, better fund utilization mechanism of CDF projects and better poverty reduction rate of CDF projects in any way. The multivariate regression Results indicated that information communication technology did not influence better lead time for completion of CDF projects, better fund utilization of CDF projects and better poverty reduction rates of CDF projects. The overall regression results also revealed that information communication technology did not influence performance of CDF projects.

5.2.5 Government Policy

The fifth objective was to assess the moderating effect of government policy on the relationship between public procurement practices and performance of CDF projects in Kenya. Results indicated that most of the CDF projects had a clearly outlined and written down procurement procedures in the public procurement practices. Results also indicated that most of the CDF projects had a clearly outlined and written down policy on tendering methods in the public procurement practices. Further, Results indicated that most of the CDF projects had a clearly outlined regulatory framework in the public procurement practices. The regression results indicated that government

policy had a significant and negative moderating effect on the relationship between public procurement practices and performance of CDF projects. This implies that government policies dampen the performance of CDF projects.

5.3 Conclusion

5.3.1 Capacity Building

Based on the study findings the study concluded that most of the CDF projects management had a capacity building programme. This conclusion was arrived at after observing that most of the CDF projects management had a written policy on hiring project procurement staff based on their qualifications and professional competencies, had a training budget for project procurement staff and had frequent training for project procurement staff. The study also concluded that capacity building influenced better lead time for completion of CDF projects, better fund utilization mechanism of CDF projects and better poverty reduction rates of CDF projects. Finally, the study concluded that all the constructs of capacity building combined influenced performance of CDF projects.

5.3.2 Supplier Relationship

Based on the study findings the study concluded that most of the CDF projects management had good supplier relationships. This conclusion was arrived at after observing that most of the CDF projects management had a written down policy on supply identification in the public procurement practices, had a written down policy on supply assessment in the public procurement practices and had a written down policy on supply evaluation in the public procurement practices. The study also concluded that supplier relationship influenced better lead time for completion of CDF projects, better fund utilization mechanism of CDF projects and better poverty reduction rates of CDF projects. Finally, the study concluded that all the constructs of supplier relationship combined influenced performance of CDF projects.

5.3.3 Procurement Ethics

Based on the study findings the study concluded that most of the CDF projects management had good procurement ethics. This conclusion was arrived at after observing that most of the CDF projects management had a written down procurement code of ethics in the public procurement practices, had a written down quality statement in the public procurement practices and had a written down service delivery statement in the public procurement practices. The study also concluded that procurement ethics influenced better lead time for completion of CDF projects, better fund utilization mechanism of CDF projects and better poverty reduction rates of CDF projects. Finally, the study concluded that all the constructs of procurement ethics combined influenced performance of CDF projects.

5.3.4 Information Communication Technology

Based on the study findings the study concluded that most of the CDF projects management did not have a well established information communication technology system. This conclusion was arrived at after observing that most of the CDF projects management did not have E-procurement services in the public procurement practices, did not have E-government services in the public procurement practices and did not have E-commerce services in the procurement tendering process. The study also concluded information communication technology did not influence better lead time for completion of CDF projects, better fund utilization mechanism of CDF projects and better poverty reduction rates of CDF projects. Finally, the study concluded that all the constructs of information communication technology combined did not influence performance of CDF projects.

5.3.6 Government Policy

Based on the study findings the study concluded that most of the CDF projects were governed with a good government policy. This conclusion was arrived at after observing that most of the CDF projects management had a clearly outlined and

written down procurement procedures in the public procurement practices, had a clearly outlined and written down policy on tendering methods in the public procurement practices, had a clearly outlined regulatory framework in the public procurement practices. The study also concluded that government policy had a significant and negative moderating effect on the relationship between public procurement practices and performance of CDF projects.

5.4 Recommendations of the Study

The study recommendations are in line with the objectives, findings and conclusions of the study.

Following the study results, the study recommended that the stakeholders and policy makers should better capacity building strategies geared towards the improvement of public procurement services. Specifically, they should consider improving the hiring policy. The stakeholders should also emphasize on having a well outlined training budget. Further, they should enhance frequent training of the procurement staff. This would help to improve the performance of the CDF projects.

Based on the findings of the study, good supplier relationships have a positive impact on performance of CDF projects. The CDF projects management committees should emphasis on good supplier relationships so as to ensure continuous performance of the CDF projects. Specifically, the management should ensure that there exists good supplier identification strategies, good supplier assessment strategies and good supplier evaluation strategies.

It is evident from the study findings that good procurement ethic go a long way into ensuring improved performance of the CDF projects. This study recommends that the CDF management committee should endeavor to maintain high levels of procurement ethics so as to ensure continuous improved performance of the projects. Specifically, the CDF committee management should prioritize on having articulated procurement code of ethics, quality statement and service delivery statement.

The study results reveal that among other factors that are deemed to influence the performance of CDF projects, ICT is rated the lowest. However, despite the low rating embracing ICT would have a great impact on the public procurement practices of CDF project. This would in return result to improved performance of these projects. The study recommended that the CDF management committees should invest on ICT. Specifically, they can consider having E-commerce, E-government and E-procurement.

The study findings revealed that government policy is key in ensuring better CDF projects performance. This study recommends that the government of Kenya should formulate policies that ensure proper governance of the CDF projects. Specifically, the government can consider reviewing and amending policies that deal with procurement procedures, tendering methods and regulatory framework.

5.4 Areas for Further Study

Further studies can be done on the effect of public procurement practices on the performance of other public related projects other than CDF projects. This would be of great relevance for comparison purposes. Such a study can help to identify whether there are other public procurement practices that influence public projects.

The study also recommends that a study should be conducted focusing on the effect of public procurement practices on the performance of private projects. This would help to compare the performance of public versus private projects. This would also assist to determine whether there are other procurement practices which can be adopted by the public related projects in a bid to improve performance.

Further, the study recommends that a study should be conducted focusing on the effect of public procurement practices on the performance of NGO projects. This would assist in making comparisons on the performance. This would assist in giving insight on better procurement practices that can be adopted in a bid to improve performance of the CDF projects.

REFERENCES

- Abeillé, B. (2003). *Overview of Procurement Reforms in Africa.*” Paper presented at the Joint World Trade Organization/World Bank Regional Workshop on Procurement Reforms. Retrieved from www.wto.org.
- Aberdeen Group. (2005). *Best Practices in E- Procurement.* Boston: Massachusetts.
- Achuora, J., Arasa, R., & Ochriri, G. (2012). Precursors to effectiveness of public procurement audits for Constituency Development Funds (CDF) in Kenya. *European Scientific Journal*, 8(25), 198-214
- Ahmed, S. H. (2010). Accountability and Governance: Strengthening Extra-bureaucratic Mechanisms in Bangladesh (2011) 60(1) *International Journal of Productivity and Performance Management* 59, 59–60, 150 .
- Amos, E., & Weathington, B. (2008). An analysis of the relation between employee-organization Value congruence and employee attitudes, *Journal of Psychology*, 142(6), 615-32.
- Arrowsmith, A. & Trybus M. (2003). *Public procurement the continuing revolution*, New York : Kluwer Law International
- Arrowsmith, S. (2003). Transparency in government procurement: The objectives of regulation and the boundaries of the World Trade Organization. *Journal of World Trade*, 37(2), 283-303.
- Ayaga, B. (2013). *Auditor General reveals that 10th parliament spent CDF cash for campaign*, The Standard Newspaper, P
- Babbie, E.R. 1973. *Survey research methods.* Belmont, CA: Wadsworth

- Bagaka, O. (2008). Fiscal decentralization in Kenya: The constituency development fund and the growth of government. In *Proceedings of 20th Annual Conference of the Association for Budgeting and Financial Management, Chicago*. Illinois, CH: Munich Personal RePEc Archive
- Bagozzi, R.P. (1994b). *Interactions in small groups: the social relations model* in Sheth, J.N. and Parvatiyar, A. (Eds), *Relationship Marketing: Theory, Methods and Applications, Second Research Conference on Relationship Marketing Proceedings*, Center for Relationship Marketing, Emory University, Atlanta, GA
- Barasa, H. (2014). Procurement Practices Affecting Effective Public Projects Implementation in Kenya: A Case Study of Kenya Civil Aviation Authority, *European Journal of Business and Management*, 6 (6)
- Bartezzaghi, E., & Ronchi, S. (2005). E- sourcing in a buyer- operator- seller perspective: benefits and criticalities, *Production planning and control*, 16(4), 405-12.
- Bateman, A. & Wood, M. (2009). Cloud computing. *Bioinformatics*. 5(12), 1475. Retrieved from <http://bioinformatics.oxfordjournals.org/cgi/pmidlookup?>
- Best, N. F. (2002). *Research in education*. New Jersey: Prentice Hall Publishers
- Beste, T. (2008). *Greening the Supply Chain in Public Procurement*, Verlag: VDM
- Bohnstedt, A. (2008). *Procurement and Supply in Kenya: The Market for Small and Medium Enterprises*. Nairobi: FSD Kenya.
- Botha, J., Bothma, C. H., & Geldenhuys, P. (2008). *Managing E-commerce in Business*. Cape Town: Juta and Company Ltd.

- Brynjolfsson, E. & Smith, M. (2012). Frictionless commerce? A comparison of internet and conventional retailers, *Management Science*, 46 (4), 563-85.
- Burt, D.N., Petcavage, S. & Pinkerton, R., 2010, Supply management, 8th edn., , Boston: Cengage Learning, McGraw- Hill Irwin.
- Burton, R. A. (2005). Improving Integrity in Public Procurement: the Role of Transparency and Accountability. In OECD (Ed.), *Fighting Corruption and Promoting Integrity in Public Procurement* (pp. 23- 28). Paris, France: OECD.
- Burton, T. (1988). JIT/repetitive sourcing strategies: trying the knot with your suppliers. *Production and Inventory Management Journal*, 29(4), 38–41.
- Carr, A., & Pearson, J. (1999). Strategically managed buyer-seller relationships and performance outcomes. *Journal of Operations Management*, 17(5), 497–519
Retrieved from www.cdfproject.org
- Chaffey, D. (2009). *E-Business and E-Commerce Management: Strategy, Implementation and Practice*. Upper Saddle River, NJ: Prentice Hall.
- Chan, F.. (2003). A Conceptual Model of performance measurement for supply chains', *Management Decision*, 41(7), 635-642.
- Chege, S. (2013). *Influence of Capacity Building on Financial Performance and Growth of Women Owned Small and Medium Enterprises in Gikomba Market; Nairobi County, Kenya*.
- Chopra, S., Dougan, D. & Taylor, G. (2010). B2B E-commerce opportunities, *Supply chain Management Review*, 5(3), 50-62.

- Chopra, S., Meindl, P., & Kalra, V. (2007). *Supply chain management: strategy, planning and operation*. New Delhi: Dorling Kindersley.
- Chweya, L. (2014). *Constituency Development Fund: A critique*, University Of Nairobi
- Cooper, D. & Schindler P. (2010). *Business research methods*. New Jersey: McGraw-Hill
- Cooper, M. C., Lambert, D. M., & Pagh, J. D. (1997). Supply Chain Management: More Than a New Name for Logistics. *The International Journal of Logistics Management*, 8(1), 1-14.
- Cooper, M., & Gardner, J. (1993). Building Good Business Relationships: More than Just Partnering or Strategic Alliances? *International Journal of Physical Distribution and Logistics Management*, 23(6), 14–26.
- Cooper, P. R. & Schindler, P.S. (2001). *Business Research Methods*. (10thed.). New York: Wiley.
- Croom, S., & Brandon-Jones, A. (2005). E-Procurement: Key issues in e-procurement implementation and operation in the public sector. *Journal of Public Procurement*, 5(3), 567-587
- Croom, S., & Brandon-Jones, A. (2007). Impact of e-procurement: experiences from implementation in the UK public sector. *Journal of Purchasing and Supply Management*, 13(4), 294-303.
- Cox, A. (1996). Relational competence and strategic procurement management”, *European Journal of Purchasing and Supply Management*, 2(1), 57-70.

- Daft R.L. (2004). *Organizational Theory and design* (8th Edition). Cincinnati, OH Southern publishers.
- Dalip, N. (2007). Theory Z of supplier relationship management, *International Journal of Research and Development organization* ISSN-465-0175.
- De Toni, A., & Nassimbeni, G. (2000). Just-in-time purchasing: an empirical study of operational practices, supplier development and performance. *Omega*, 28(6), 631–651.
- Dhillon, G. (2005). Gaining benefits from IS/IT implementation: Interpretations from case studies. *International Journal of Information Management*, 25, 502-515.
- Dobler, K. (2003). *World Class Supply Chain management: the key to supply chain management*. Boston: MacGraw Hill publishers.
- Doney, P., & Cannon, J. (1997). An Examination of the Nature of Trust in Buyer-Seller Relationships. *Journal of Marketing*, 61(2), 35–51.
- Echtelt, F., Wynstra, F., Weele, A., & Duysters, G. (2008). Managing Supplier Involvement in New Product Development: A Multiple-Case Study. *The Journal of Product Innovation Management*, 25(2), 180–201.
- Edler, J. & Georghiou, L. (2007). Public procurement and innovation: Resurrecting the demand side, *Research Policy*,. 36, 949-963.
- Edward, J., Francis, D., & Seans, K. (2011). Analysis of the Use of e-procurement in the UK. *Journal of Purchasing and Management*, 6, 22 - 87.
- Elliott, F. J. (2004). Procurement Reform in Sierra Leone: A Public Choice Model of Analysis. In *International Public Procurement Conference Proceedings* (Vol. 3).

- Ellis, A., Cutura, J., Dione, N., Gillson, I., Manuel, C. & Thongori, J. (2007) Gender and Economic Growth in Kenya: Unleashing the Power of Women. World Bank.
- Essig, M. a. (2001). Electronic procurement in supply chain management: an information economics-based analysis of electronic markets. *Journal of Supply Chain Management*, 37(4), 43-49.
- Everett, C. (May 13, 2011). Report Reveals Engagement More Complicated than We Thought. HR Zone. Retrieved June 2, 2015
- Faux, J. (2010), September). Pre-Testing Survey Instruments. *Global Review of Accounting and Finance*, 1(1), 100-111.
- Flippo, E. B. (1961). *Principles of personnel management*. New York: McGraw Hill.
- Fisher, C., & Lovell, A., (2009). Business Ethics and values: Individual, Corporate and International European Journal of Business and Management www.iiste.org ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol.7, No.7, 2015 279 Perspectives, (3rd ed.). Edinburgh Gate, England: Pearson Education Ltd
- Fox, T., Ward H., & Howard, B. (2002). *Corporate Responsibility for Environment and Development Program*, International Institute for Environment and Development.
- Gordon, S. R. (2008). *Supplier evaluation performance*, J. Ross publishing p.83
- Government Of Kenya (2013). *The Constituency Development Act 2013*, Nairobi: Government printer.

- Giunipero, L. C. & Sawchuk, C. (2000). *e-Purchasing Plus: Changing the Way Corporations Buy*, JGC Enterprises, Goshen (NY).
- Grant, R.M. (2001). *Resource Based View theory of competitive Advantage: implications for strategy formulation*, California management Review, USA
- Gravetter, F., & Forzano, L.-A. (2010). *Research Methods for the Behavioral Sciences*. California: Wadsworth Cengage Learning.
- Handfield, R., & Bechtel, C. (2002). The role of trust and relationship structure in improving supply chain responsiveness. *Industrial Marketing Management*, 31(4), 367–382.
- Handfield, R., Ragatz, G., Petersen, K., & Monczka, R. (1999). Involving Suppliers in New Product Development. *California Management Review*, 42(1), 59–82.
- Hannon, D. (2004). Online buying gathers steam, one buyer at a time, *Purchasing*, 133(16), 40-3.
- Harland, C. M. (1996). Supply chain management: relationships, chains and networks. *British Academy of Management*, 7, 63-80.
- Harwick, T. (1997). Optimal decision-making for the supply chain. *APICS, The Performance Advantage*, 7(1), 42-44.
- Heikkila, J. (2002). From supply to demand chain management: efficiency and customer satisfaction. *Journal of Operations Management*, 20(6), 747–767.
- Hernandez, A. (1993). *Just in Time Quality, A Practical Approach*. Englewood Cliffs, NJ: Prentice-Hall.
- Hirakubo, N. & Kublin, M. (1998). The relative importance of supplier selection criteria: the case of electronic component procurement in Japan,

International journal of purchasing and materials management, spring pp 19-24

Hunja, R. (2003) "Obstacles to Public Procurement Reform in Developing Countries." In S. Arrowsmith and M. Trybus (Eds.), *Public Procurement: the Continuing Revolution* (pp. 13-22). Dordrecht, The Netherlands: Kluwer Law International.

Hyndman, R. J., & Booth, H. (2008). Stochastic population forecasts using functional data models for mortality, fertility and migration. *International Journal of Forecasting* 24 (3), 323-342.

Johnston, D., McCutcheon, D., Stuart, F., & Kerwood, H. (2004). Effects of supplier trust on performance of cooperative supplier relationships. *Journal of Operations Management*, 22(1), 23–38.

Jooste, M. V., & van Schoor, C. D. (2003). A framework for the implementation of e-procurement. *SA Journal of Industrial Engineering*, 14(2), 1-22.

Joppe, M. (2008). The Research Process. Retrieved from <http://www.ryerson.ca/~mjoppe/rp.htm>

Juma, V. (2009). *Bill seeks to curb wastage of CDF cash*.

Kagira, A. (2009). *New Team to Review CDF Laws*. Capital News, (22 June 2009).

Karanja, N. & Mugo, W (2010). *Internal Factors Affecting Procurement Process of Supplies in the Public Sector; A Survey of Kenya Government Ministries*. Nairobi: Jomo Kenyatta University of Agriculture and Technology.

Kenneth, L., & Michael, G. (2006). *Purchasing and Supply Chain Management*: 6th edition. Pearson Education Limited, Harlow.

- Kaufmann, L. (2009). Purchasing and supply management – a conceptual framework", in Kaufmann, L., Hahn, D. (Eds), *Handbuch Industrielles Beschaffungsmanagement: Internationale Konzepte – Innovative Instrumente – Aktuelle Praxisbeispiele*, Gabler, Wiesbaden, pp.3-32.
- Kinyua, M. & Ogollah, K. O. (2013). Influence of procurement process on performance of Constituency Development Fund projects in Marakwet East Constituency in Kenya. *International Journal of Social Sciences and Entrepreneurship*, 1(7), 90-103.
- Kombo, D. K., & Tromp, D. L. (2006). *Proposal and Thesis Writing: An introduction*. Nairobi: Paulines Publications.
- Kothari, C. R. (2006). *Research Methodology: Methods and Techniques* (2 ed.). New Delhi: New Age International Publishers.
- Krause, D., Handfield, R., & Tyler, B. (2007). The relationships between supplier development, commitment, social capital accumulation and performance improvement. *Journal of Operations Management*, 25(2), 528–545.
- Krause, D, Handfield, R. T & Yler, B. (2007) The relationships between supplier development, commitment, social capital accumulation and performance improvement. *J. Oper Manag*, 25, 528–545.
- Kumar, N., Scheer, L., & Steenkamp, J. (2005). The effects of perceived interdependence on dealer attitudes. *Journal of Marketing Research*, 32(3), 348–356
- Kumar, R. (2005). *Research Methodology: A step-by-step guide for beginners*. California: SAGE Publication LTD.

- Langfield-Smith, K., & Greenwood, M. (1998). Developing Co-operative Buyer Supplier Relationships: a Case Study of Toyota. *Journal of Management Studies*, 35(3), 331–353.
- Lascelles, D., & Dale, B. (1990). Examining the Barriers to Supplier Development. *International Journal of Quality and Reliability Management*, 7(2), 46–56.
- Lavassani, K., Movahedi, B., & Kumar, V. (2008). Evolution of supply chain theories: A comprehensive literature review. *19th Annual Conference of the Production and Operations Management Society*, 9-12 May, La Jolla, California, USA: POMA
- Laub, R. (2001). *eProcurement: Pioneers on the way to realizing benefits. Accenture Pan-European Survey 2001*. Paris: Accenture.
- Lee, H., & Wang, S. (2009), *E-business and supply chain integration*, Stanford: Global supply chain management Forum.
- Lee, S., & Ansari, A. (1985). Comparative analysis of Japanese just-in-time purchasing and traditional US purchasing system. *International Journal of Operations and Production Management*, 5(4), 5–14.
- Lysons (2006), *Procurement and Supply chain management* 8th Edition, New York: Prentice Hall publishers.
- Lysons, K & Farrington, B. (2006). *Purchasing and supply chain management*, (7th ed.) New Jersey: Prentice Hall.
- MacDuffie, J., & Helper, S. (1997). Creating Lean Suppliers: Diffusing Lean Production Through the Supply Chain. *California Management Review*, 39(4), 118–151.

- MacDuffie, J.P., Helper, S., (2006). Collaboration in supply chains with and without trust. In: Adler, P. (Ed.), *The Firm as Collaborative Community, Re-constructing Trust in the Knowledge Economy*. Oxford: Oxford University Press.
- McLaughlin, J.D. & Nichols, S.E. (1989). *Resource Management: The Land Administration and Cadastral Systems Component*, In: *Surveying and Mapping*, No. 2, p. 77-86
- Mallery, M. (2009). *Using SPSS for windows step by step: a simple guide and reference*. Boston, MA: Allyn and Bacon.
- Manasseh, P.N. (2007). *A text Book of Principles of Auditing*. Nairobi: McMore Accounting Books.
- Martine, J., & Grbac, B. (2003). Using supply chain management to leverage a firm's market orientation. *Industrial Marketing Management*, 32(1), 25–38.
- Matata, T. (2011). *Economics* 1st edition, British library catalogue publishers Atlanta's.
- Mishra, A. N., Konana, P., & Barua, A. (2007). Antecedents and consequences of Internet Use in Procurement : An Emperical Investigation of U.S. Manufacturing Firms. *Information Systems*, 18(1), 103-120.
- Monczka, R., Trent, R., & Handfield, R. (2002). *Purchasing and supply chain management*. (2nd ed). South-West: Tomson Learning
- Morgan, R., & Hunt, S. (1994). The Commitment-Trust Theory of Relationship Marketing. *Journal of Marketing*, 58(3). 20–38.

- Mugenda, O. M. & Mugenda, A. G. (2003) *Research methods Dictionary*; Nairobi: Acts Press.
- Mugenda, O., & Mugenda, G. (2003). *Research methods: qualitative and quantitative approaches*. Nairobi: Acts Press.
- Murray, L. (2008). Improving the validity of public procurement research: International public procurement conference proceedings, 28-30 August 200.
- Mwangi. W. N. (2013). Factors hindering adoption of e-procurement in telecommunication industry in Kenya: case of Safaricom limited. *International Journal of Social Sciences and Entrepreneurship*, 1(3), 138-148
- Napisa M. (2013). *Budget Transparency and Citizen Participation in Counties in Kenya*, Nairobi
- Ndegwa S. N. (2002). *Decentralization in Africa: A stocktaking Survey*, Africa Region Working Paper Series No. 40. Washington, DC: World Bank
- Neef, D. (2001). *E-Procurement: from strategy to implementation*. NJ: Prentice Hall PTR.
- Neely, A., (2005). The evolution of performance measurement research. *International Journal of Operations and Production Management*, 1, 1264-1277.
- Normann, R., & Rafael, R. (1993). *From Value Chain to Value Constellation: Designing interactive strategy*. Harvard Business Review. Retrieved from <https://hbr.org/1993/07/designing-interactive-strategy>
- Ochanda, G. (2013). *Poverty reduction through improved on Governance on constituency Development Fund*, Nairobi: Kenya survey.

- Ochieng, F. & Owuor, T. R. (2013). Factors Influencing Management of CDF Projects A Case of Ainamoi Constituency, Kericho County, *International Journal of Science and Technology*, 2(1).
- Ohemeng, K. L.F. (2009). Constraints in the Implementation of Performance Management Systems in Developing Countries The Ghanaian Case, *International Journal of Cross Cultural Management* 9(1), 109-132.
- Ojokuku, R. M. (2014). The Impact of Capacity Building and Manpower Development on Staff Performance in Selected Organisations in Nigeria, *International Journal of Economics, Commerce and Management*, II(5), 1-5. Retrieved from <http://ijecm.co.uk/wp-content/uploads/2014/05/257.pdf>
- Omar, K (1998). *Public Procurement in Africa*. The experience of Africa Development Bank: Report of the Conference on public procurement reforms in Africa. Cote d'Ivoire.
- Ong, T. S. (2005). *Performance measurement systems and their influences in high technology manufacturing firms of a developing country* Unpublished PhD thesis, Leeds: University of Leeds.
- Owili, E. O. (2013). *E-procurement Implementation And Transaction Cost Among Non-governmental Organisations In Kenya*. Unpublished Phd thesis, Nairobi: University of Nairobi.
- Pani, A. K., & Agrahari, A. (2007). *E-Procurement in Emerging Economies: Theory and Cases*. UK: Idea Group Inc.
- Patten, M. L. (2010). *Proposing empirical research. A guide to the fundamentals*. California: Pyczak Publishing.

- Petersen, K., Handfield, R., & Ragatz, G. (2003). A Model of Supplier Integration into New Product Development. *The Journal of Product Innovation Management*, 20(4), 284–299.
- Porter, M. E. (1990). *The Competitive Advantage of Nations*. New York: Free Press.
- Public Procurement Oversight Authority (2005). *General procurement manual*, Nairobi, Kenya: PPOA
- Public Procurement Oversight Authority (2007). *Assessment of the procurement system in Kenya*. Nairobi: PPOA.
- Quayle, M. (2000). Supplier development for UK small and medium sized enterprises. *Journal of Applied Management Studies*, 9(1), 117–138.
- Rahman, S. & Bullock, P. (2005). *Soft TQM, hard TQM and organizational performance relationships: an empirical investigation*, *Omega*. 33(1), 73-83.
- Ragatz, G., Handfield, R., & Scannell, T. (1997). *Success factors for integrating Suppliers into New Product Development*. *Journal of Product Innovation Management*, 14(3), 190–202.
- Rankin, J. H., Chen, Y., & Christian, A. J. (2006). E-procurement in the Atlantic Canadian AEC industry. *Journal of Information Technology in Construction (ITcon)*, 11, 75-87.
- Rao Tummala, V. M., Phillips, C. L., & Johnson, M. (2006). Assessing supply chain management success factors: a case study. *Supply Chain Management: An International Journal*, 11(2), 179 - 192.

- Reck, R. F., Landeros, R., & Lyth, D. M. (1992). Integrated supply management: the basis for professional development. *International Journal of Purchasing and Management*, 28(3), 12-18.
- Republic of Ghana. (2010). E - Procurement: Is Ghana Ready. *E-Procurement Bulletin*, 1(4), 1-13.
- Riley, D. (1987). *Competitive Cost-Based Investment Strategies for Industrial Companies*. New York: Booz, Allen and Hamilton.
- Robert M. G. (2011). *The resource-based theory of comparative advantage: implication for strategy formulation*
- Robson, B. (2002). *Real world research: A resource for social scientists and practitioner*. New York: John Wiley and Sons.
- Sako, M. (1992). *Prices, Quality, and Trust*. Oxford: Oxford University Press.
- Saunders, M., Lewis, P., & Thornhill, A (2009). *Research methods for business students*. (5th ed.). London: Personal Educational Ltd.
- Scannell, T., Vickery, S., & Droge, C. (2000). *Upstream supply chain management and competitive performance in the automotive supply industry*. *Journal of Business Logistics*, 21(1), 23-48.
- Schapper, P. R., Malta, J. N. V., & Gilbert, D. L. (2006). An analytical framework for the management and reform of public procurement. *Journal of public procurement*, 6(1/2), 1-26
- Segal, J. & Summers, F. (2002). *Improving transparency in pharmaceutical systems: strengthening critical decision points against corruption*. Washington, DC: World Bank.

- Sekaran, U. (2003). *Research Methods for Business: A skill Approach*. (4th edition). New York: John Willy and Sons Publishers.
- Shin, H., Collier, A., & Wilson, D. (2000). Supply management orientation and supplier/buyer performance. *Journal of Operations Management*, 18(3), 317–333.
- Siringi S. (2008). *Sale of Government Vehicles Raises Eyebrows* Daily Nation: Retrieved from <http://africanewsonline.blogspot.com/2008/publicvehicle-s-on-sale-at-throw-away.html>.
- Swanson, R. A. (1995). *Human resource development: Performance is key*. Human Resource Development Quarterly, 6(2), 207-213.
- Thai, K.V. (2008). Public procurement re-examined, *Journal of Public Procurement*, 1(1), 9-50.
- Thai, K.V. (2008). *International Handbook of Public Procurement*, Florida, USA: Auerbach Publications
- Theisohn, T., & Lopes, C. (2013). *Ownership Leadership and Transformation: Can We Do Better for Capacity Development*. Hoboken: Taylor and Francis
- Tero, J. (2014). *Factors Influencing Performance of Constituency Development Funded Dispensary Projects in Kenya: A Case of Nandi County*, Unpublished PhD Thesis, Nairobi: University of Nairobi.
- Velasquez, M. G., & Velazquez, M. (2002). *Business ethics: Concepts and cases* (Vol. 111). Upper Saddle River, NJ: Prentice Hall.

- Vonderembse, M., & Tracey, T. (1999). The Impact of Supplier Selection Criteria and Supplier Involvement on Manufacturing Performance. *The Journal of Supply Chain Management*, 35(2), 33–39.
- Wachuru, S. K., & Amuhaya, M. I. (2006). The Role of Risk management Practices in the Success Performance of Constituency Development Fund Projects: A Survey of JUJA Constituency Kiambu-Kenya. *International Journal of Academic Research in Business and Social Sciences*, 1(3), 423-438.
- Wanjiru, G. (2008), *The CDF Social Audit Guide: A Guide Handbook for Communities*. Nairobi: Open Society Initiative of E. Africa.
- Wanyonyi, S. C., & Muturi, W. (2015). Factors Affecting Performance of Procurement Function among Public Technical Training Institutions in Kisumu County, Kenya. *International Journal of Economics, Commerce and Management*, 3(5). 325-337.
- Wee, H. (2002). Corporate ethics: right makes might, *Business Week*, (quoting Stuart Gilman on Enron), No.11 April.
- Wessman, S. (1998). *Country Procurement Assessment Reviews in Africa*. The World Bank: Report of the Conference on public procurement reforms in Africa. Cote d'Ivoire.
- Williams, S. P., & Hardy, C. A. (2006). E-procurement: Current issues & Future challenges. 131-142.
- Wilson, D.D., 1994. An Empirical Study to Test the Causal Linkages Implied in the Malcolm Baldrige National Quality Award. Unpublished PhD Dissertation, Ohio: The Ohio State University.

Zahirul, H. (2006). *Methodological issues in accounting research: Theories, methods and issues*. New Delhi: Spiramus Press Ltd

Zikmund, G.W., Babin, B.J., Carr, C.J. & Griffin, M.(2010). *Business Research Methods* (8thed). South-Western: Cengage Learning.

APPENDICES

Appendix I: Letter of Introduction

Dear respondent

The questionnaire issued to you is purely for academic purposes. Kindly complete it as honestly as possible to enable the researcher to obtain your sincere view for feedback. Kindly do not indicate your name anywhere on the questionnaire, and be assured that the information you give will be treated with confidentiality. Your cooperation will be highly appreciated since this will enable the researcher obtain data needed to answer to the research questions.

Thank you in advance.

Yours sincerely

Paul Machoka

Appendix ii: Questionnaire

Introduction

This questionnaire is aimed at collecting information about effect of public procurement practices on performance of CDF projects in Kenya. The information you give will be of benefit to the researcher in accomplishing his academic goals. Please respond to the items honestly. The information you give will be held in total confidence and used only for the purpose of the study.

Instructions

Kindly fill your response in the space provided or tick (√) as appropriate. All the information provided here will be considered private and confidential for the purpose of this research ONLY.

SECTION A; DEMOGRAPHIC INFORMATION

1. Gender; (tick) Male { } Female { }

2. Age;

Below 25 years { } 26 – 35 years { }

36 – 45 years { } Over 45 years { }

3. Level of education

Secondary { } College { } University { }

4. Work Duration in Years;

Below 5 years { } 5 - 10 years { } 11 - 15 years { }

Above 15 years { }

SECTION B: CAPACITY BUILDING INFLUENCE ON CDF PROJECT PERFORMANCE

5. a) There exists a written policy on hiring project procurement staff based on their qualifications and professional competencies?

Yes { } No { }

b) If Yes to question 5(a), in which of the following ways did the written policy on hiring project procurement staff based on their qualifications and professional competencies affect the CDF performance.

i). Decreased lead time for project completion

Yes { } No { }

ii). Decreased poverty levels in the constituencies

Yes { } No { }

iii). Reduced misuse of funds in the projects

Yes { } No { }

c) If No to question 5(a), in which of the following ways did the failure to have a written policy on hiring project procurement staff based on their qualifications and professional competencies affect the CDF performance.

i). Increased lead time for project completion

Yes { } No { }

ii). Increased poverty levels in the constituencies

Yes { } No { }

iii). Increased misuse of funds in the projects

Yes { } No { }

6. a) There exists a training budget for project procurement staff?

Yes { } No { }

b) If Yes to question 6(a), in which of the following ways does having a training budget for project procurement staff affect CDF performance.

i). Decreased lead time for project completion

Yes { } No { }

ii). Decreased poverty levels in the constituencies

Yes { } No { }

iii). Reduced misuse of funds in the projects

Yes { } No { }

c) If No to question 6 (a), in which of the following does failure to have a training budget for project procurement staff affect CDF performance.

i). Increased lead time for project completion

Yes { } No { }

ii). Increased poverty levels in the constituencies

Yes { } No { }

iii). Increased misuse of funds in the projects

Yes { } No { }

7. a) There exists frequent training for project procurement staff?

Yes { } No { }

b) If Yes to question 7(a), in which of the following ways has conducting frequent training for project procurement staff affect CDF performance.

i). Decreased lead time for project completion

Yes { } No { }

ii). Decreased poverty levels in the constituencies

Yes { } No { }

iii). Reduced misuse of funds in the projects

Yes { } No { }

c) If No to question 7(a), in which of the following ways has failure to conduct frequent training for project procurement staff affect CDF performance.

i). Increased lead time for project completion

Yes { } No { }

ii). Increased poverty levels in the constituencies

Yes { } No { }

iii). Increased misuse of funds in the projects

Yes { } No { }

SECTION C: SUPPLIER RELATIONSHIP INFLUENCE ON CDF PROJECT PERFORMANCE

8. a) There exists a written down policy on supply identification in the public procurement practices?

Yes { } No { }

b) If Yes to question 8 (a), in which of the following ways has having written down policy on supply identification in the procurement tendering process affected CDF performance.

i). Decreased lead time for project completion

Yes { } No { }

ii). Decreased poverty levels in the constituencies

Yes { } No { }

iii). Reduced misuse of funds in the projects

Yes { } No { }

c) If No to question 8(a), in which of the following ways has failure to have a written down policy on supply identification in the public procurement practices affected CDF performance.

i).Increased lead time for project completion

Yes { } No { }

ii).Increased poverty levels in the constituencies

Yes { } No { }

iii).Increased misuse of funds in the projects

Yes { } No { }

9. a) There exists a written down policy on supply assessment in the public procurement practices?

Yes { } No { }

b) If Yes to question 9 (a), in which of the following ways has having written down policy on supply assessment in the public procurement practices affected CDF performance.

iv). Decreased lead time for project completion

Yes { } No { }

v). Decreased poverty levels in the constituencies

Yes { } No { }

vi). Reduced misuse of funds in the projects

Yes { } No { }

c) If No to question 9(a), in which of the following ways has failure to have a written down policy on supply assessment in the public procurement practices affected CDF performance.

i).Increased lead time for project completion

Yes { } No { }

ii).Increased poverty levels in the constituencies

Yes { } No { }

iii).Increased misuse of funds in the projects

Yes { } No { }

10. a) There exists a written down policy on supply evaluation in the public procurement practices?

Yes { } No { }

b) If Yes to question 10 (a), in which of the following ways has having written down policy on supply evaluation in the public procurement practices affected CDF performance.

i). Decreased lead time for project completion

Yes { } No { }

ii). Decreased poverty levels in the constituencies

Yes { } No { }

iii).Reduced misuse of funds in the projects

Yes { } No { }

c) If No to question 10(a), in which of the following ways has failure to have a written down policy on supply evaluation in the public procurement practices affected CDF performance.

i).Increased lead time for project completion

Yes { } No { }

ii).Increased poverty levels in the constituencies

Yes { } No { }

iii).Increased misuse of funds in the projects

Yes { } No { }

**SECTION D: PROCUREMENT ETHICS ON CDF PROJECT
PERFORMANCE**

11. a) There exists a written down procurement code of ethics in the public procurement practices?

Yes { } No { }

b) If Yes to question 11 (a), in which of the following ways has having written down procurement code of ethics in the public procurement practices affected CDF performance

i). Decreased lead time for project completion

Yes { } No { }

ii). Decreased poverty levels in the constituencies

Yes { } No { }

iii). Reduced misuse of funds in the projects

Yes { } No { }

c) If No to question 11(a), in which of the following ways has failure to have a written down procurement code of ethics in the public procurement practices affected CDF performance.

i). Increased lead time for project completion

Yes { } No { }

ii). Increased poverty levels in the constituencies

Yes { } No { }

iii). Increased misuse of funds in the projects

Yes { } No { }

12. a) There exists a written down quality statement in the public procurement practices?

Yes { } No { }

b) If Yes to question 12 (a), in which of the following ways has having written down quality statement in the public procurement practices affected CDF performance.

i). Decreased lead time for project completion

Yes { } No { }

ii). Decreased poverty levels in the constituencies

Yes { } No { }

iii). Reduced misuse of funds in the projects

Yes { } No { }

c) If No to question 12(a), in which of the following ways has failure to have a written down quality statement in the public procurement practices affected CDF performance.

i). Increased lead time for project completion

Yes { } No { }

ii). Increased poverty levels in the constituencies

Yes { } No { }

iii). Increased misuse of funds in the projects

Yes { } No { }

13. a) There exists a written down service delivery statement in the public procurement practices?

Yes { } No { }

b) If Yes to question 13 (a), in which of the following ways has having written down service delivery statement in the public procurement practices affected CDF performance.

i). Decreased lead time for project completion

Yes { } No { }

ii). Decreased poverty levels in the constituencies

Yes { } No { }

iii). Reduced misuse of funds in the projects

Yes { } No { }

c) If No to question 13(a), in which of the following ways has failure to have a written down service delivery statement in the public procurement practices affected CDF performance.

i). Increased lead time for project completion

Yes { } No { }

ii). Increased poverty levels in the constituencies

Yes { } No { }

iii). Increased misuse of funds in the projects

Yes { } No { }

SECTION E: INFORMATION COMMUNICATION TECHNOLOGY
INFLUENCE ON CDF PROJECT PERFORMANCE

14. a) There exist E-procurement services in the public procurement practices?

Yes { } No { }

b) If Yes to question 14 (a), in which of the following ways has existence of E-procurement services in the public procurement practices affected CDF performance.

i). Decreased lead time for project completion

Yes { } No { }

ii). Decreased poverty levels in the constituencies

Yes { } No { }

iii). Reduced misuse of funds in the projects

Yes { } No { }

c) If No to question 14 (a), in which of the following ways has failure to have E-procurement services in the public procurement practices affected CDF performance.

i).Increased lead time for project completion

Yes { } No { }

ii).Increased poverty levels in the constituencies

Yes { } No { }

iii).Increased misuse of funds in the projects

Yes { } No { }

15. a) There exist E-government services in the public procurement practices?

Yes { } No { }

b) If Yes to question 15 (a), in which of the following ways has existence of E- government services in the public procurement practices affected CDF performance.

i). Decreased lead time for project completion

Yes { } No { }

ii). Decreased poverty levels in the constituencies

Yes { } No { }

iii).Reduced misuse of funds in the projects

Yes { } No { }

c) If No to question 15 (a), in which of the following ways has failure to have E- government services in the public procurement practices affected CDF performance.

i).Increased lead time for project completion

Yes { } No { }

ii).Increased poverty levels in the constituencies

Yes { } No { }

iii).Increased misuse of funds in the projects

Yes { } No { }

16. a) There exist E-commerce services in the procurement tendering process?

Yes { } No { }

b) If Yes to question 16 (a), in which of the following ways has existence of E- commerce services in the procurement tendering process affected CDF performance.

i). Decreased lead time for project completion

Yes { } No { }

ii). Decreased poverty levels in the constituencies

Yes { } No { }

iii).Reduced misuse of funds in the projects

Yes { } No { }

c) If No to question 16 (a), in which of the following ways has failure to have E- commerce services in the public procurement practices affected CDF performance.

i).Increased lead time for project completion

Yes { } No { }

ii).Increased poverty levels in the constituencies

Yes { } No { }

iii).Increased misuse of funds in the projects

Yes { } No { }

SECTION F: GOVERNMENT POLICY ON CDF PROJECT

PERFORMANCE a) 17. a) There exist clearly outlined and written down procurement procedures in the public procurement practices?

Yes { } No { }

b) If Yes to question 17 (a), in which of the following ways has having clearly outlined and written down procurement procedures in the public procurement practices affected CDF performance.

i). Decreased lead time for project completion

Yes { } No { }

ii). Decreased poverty levels in the constituencies

Yes { } No { }

iii). Reduced misuse of funds in the projects

Yes { } No { }

c) If No to question 17 (a), in which of the following ways has failure to have a clearly outlined and written down procurement procedures in the public procurement practices affected CDF performance.

i). Increased lead time for project completion

Yes { } No { }

ii). Increased poverty levels in the constituencies

Yes { } No { }

iii). Increased misuse of funds in the projects

Yes { } No { }

18.a) There exist a clearly outlined and written down policy on tendering methods in the public procurement practices?

Yes { } No { }

b) If Yes to question 18 (a), in which of the following ways has having clearly outlined and written down policy on tendering methods in the public procurement practices affected CDF performance.

i). Decreased lead time for project completion

Yes { } No { }

ii). Decreased poverty levels in the constituencies

Yes { } No { }

iii). Reduced misuse of funds in the projects

Yes { } No { }

c) If No to question 18 (a), in which of the following ways has failure to have a clearly outlined and written down policy on tendering methods in the public procurement practices affected CDF performance

i). Increased lead time for project completion

Yes { } No { }

ii). Increased poverty levels in the constituencies

Yes { } No { }

iii). Increased misuse of funds in the projects

Yes { } No { }

19.a) There exists a clearly outlined regulatory framework in the public procurement practices?

Yes { } No { }

b) If Yes to question 19 (a), in which of the following ways has having a clearly outlined regulatory framework in the procurement tendering process affected CDF performance.

i). Decreased lead time for project completion

Yes { } No { }

ii). Decreased poverty levels in the constituencies

Yes { } No { }

iii). Reduced misuse of funds in the projects

Yes { } No { }

c) If No to question 19 (a), in which of the following ways has failure to have a clearly outlined regulatory framework in the public procurement practices affected CDF performance.

i). Increased lead time for project completion

Yes { } No { }

ii). Increased poverty levels in the constituencies

Yes { } No { }

iii). Increased misuse of funds in the projects

Yes { } No { }

SECTION G: PERFORMANCE OF CDF PROJECTS IN KENYA

17. Compared to other CDF projects, the lead time for completion of our CDF project is better;

a) Yes { } b) No { }

18. Compared to other CDF projects, the funds utilization mechanism of our CDF project is better;

a) Yes { } b) No { }

19. Compared to other CDF projects, the poverty reduction rate of our CDF project is better;

a) Yes { } b) No { }

20. Capacity building has a significant effect on performance of CDF projects.

a) Yes { } b) No { }

21. Supplier relationship has a significant effect on performance of CDF projects.

a) Yes { } b) No { }

22. Procurement ethics has a significant effect on performance of CDF projects.

a) Yes { } b) No { }

I hereby thank you for the Time you have taken to fill the Questionnaire it is a mile stone to my Research Project Work.

Appendix iii: List of Sampled CDF Projects

A. Dagareti

PROJECT	AMOUNT	PROJECT CODE	ACTIVITY	STATUS
Olympics	8M	4-110-004-31100202-104-031-002	Construction of dining hall and kitchen block	new
Langata road	2M	4-110-004-31100202-104-031-012	Construction of perimeter wall along Langata road	new
Wimuto gardens primary school	1M	4-110-004-31100202-104-031-013	Repaire of leaking roofs and floors	new
Langata High School	3M	4-110-004-31100202-104-031-005	Construction of new domitory	new

C. Embakasi

PROJECT	AMOUNT	PROJECT CODE	ACTIVITY	STATUS
Ushirika primary school phase 2	800000	4-110-008-310202-104-010-016	Ceiling, plastering & painting, flooring & fitting for classrooms	ongoing
Pelani boys secondary school	1M	4-110-008-310202-104-010-038	Ceiling, plastering & painting, flooring & fitting for classrooms	ongoing
Njiru primary school phase 2	1M	4-110-008-310202-104-010-044	Construction of administration block and staffroom	ongoing

C. Westlands

PROJECT	AMOUNT	PROJECT CODE	ACTIVITY	STATUS
Highridge secondary school	18.5M	4-110-006-3110202-104-007-015	Completion of classrooms	ongoing
Lavington secondary school	11.6M	4-110-006-3110202-104-007-022	Construction of two laboratories	ongoing
Lower Kabete primary school	3M	4-110-006-3110202-104-007-023	Construction of two classrooms	new
Kangemi primary school	5.3M	4-110-006-3110202-104-007-023	Construction of 24 toilet blocks	new

D. Kamukunji

PROJECT	AMOUNT	PROJECT CODE	ACTIVITY	STATUS
Zawadi primary school	2M	4-110-002-3110202-104-018-23	Construction of perimeter wall	new
MainaWanjigi secondary school	2.5M	4-110-002-3110202-104-018-24	Construction of perimeter wall	new
Heshima primary school	2M	4-110-002-3110202-104-018-25	Rehabilitation of Toilets	New
New Eastleigh Sec School	2.5M	4-110-002-3110202-104-018-28	Renovation of classrooms	ongoing

KIAMBU COUNTY

Gatanga

PROJECT	ACTIVITY	PROJECT CODE	AMOUNT
Kirwara	Renovation of classrooms	4-260-097-3110202-104-008-0062	0.6M
Mutewa primary school	Construction of toilets	4-260-097-3110202-104-008-0071	0.3M
Silanga primary school	Construction of classrooms	4-260-097-3110202-104-008-0089	1.4M
Rubiru primary school	Flooring of classrooms	4-260-097-3110202-104-008-0074	0.6M
Swami primary school	Construction of two classrooms	4-260-097-3110202-104-008-0092	1.4M
Paul Mbinyu Primary School	Completion of two classrooms	4-260-097-3110202-104-008-005	1M
Kyaume secondary school	Construction of two classrooms	4-260-097-3110202-104-008-0096	1.4M
Karangi Day secondary school	Construction of one classroom	4-260-097-3110202-104-008-0076	0.7M
Gititu secondary	Construction of one	4-260-097-	0.8M

school	classroom	3110202-104-008-060	
Kangari secondary school	Construction of one classroom	4-260-097-3110202-104-008-044	0.7M
Nanga primary school	Construction of one classroom	4-260-097-3110202-104-008-082	0.7M
Kihubuini primary school	Renovation of two classrooms	4-260-097-3110202-104-008-048	0.4M
Ngurunga primary school	Construction of one classroom	4-260-097-3110202-104-008-090	0.7M
Rwegwtha primary school	Renovation of four classrooms	4-260-097-3110202-104-008-091	0.7M
St Teresa primary school	Renovation of two classrooms	4-260-097-3110202-104-008-088	0.4M

KISUMU COUNTY

KISUMU EAST

PROJECT	ACTIVITY	PROJECT CODE	STATUS	AMOUNT
Migosi primary school	Construction of ten toilets	4-620-184-3110202-106-007-057	new	1M
Obinyu primary school	Construction of five toilets	4-620-184-3110202-106-007-060	new	0.5M
Okango primary school	Installation of 10k tanks	4-620-184-3110202-106-007-064	new	0.1M
Okindu secondary school	Installation of 10k tanks	4-620-184-3110202-106-007-063	new	0.1M
Oyaro primary school	Installation of 10k tanks	4-620-184-3110202-106-007-065	new	0.1M
Tido primary school	Installation of 10k tanks	4-620-184-3110202-106-007-066	new	0.1M

KI

SUMU WEST

PROJECT	ACTIVITY	PROJECT CODE	STATUS	AMOUNT
Klado secondary school	Fixing two classrooms	4-620-184-3110202-106-007-021	ongoing	1M
Kuiani secondary school	construction two classrooms	4-620-184-3110202-106-007-022	ongoing	1M
Lou secondary school	Fixing administration block	4-620-184-3110202-106-007-022	ongoing	1M
Shaurimoyo secondary school	Construction of 2 nd floor rooms	4-620-184-3110202-106-007-050	ongoing	1M
Ongado secondary school	construction administration block	4-620-184-3110202-106-007-024	ongoing	1M
Obedo secondary school	construction two classrooms	4-620-184-3110202-106-007-035	ongoing	1.5M
Alara Girls secondary school	construction two classrooms	4-620-184-3110202-106-007-030	ongoing	1M
Bishop Okoth secondary school	construction administration block	4-620-184-3110202-106-007-031	ongoing	0.5M
Korumba secondary school	construction two classrooms	4-620-184-3110202-106-007-029	ongoing	1M
Dago secondary school	Construction of 2 nd floor rooms	4-620-184-3110202-106-007-018	ongoing	1M

BUNGOMA COUNTY

BUMULA

PROJECT	ACTIVITY	PROJECT CODE	STATUS	AMOUNT
Kimaeti primary school	Roofing of two classrooms	4-910-173-3110202-104-009-056	new	0.5M
Kimwaga primary school	Construction of two classrooms	4-910-173-3110202-104-009-012	new	0.5M
St Mary's Mukhura sec school	Painting and plastering of three classrooms	4-910-173-3110202-104-009-020	ongoing	0.7M
St Elizabeth Day Sec School	Construction of one class	4-910-173-3110202-104-009-055	new	0.7M
Bisude ACK secondary school	Purchase of land	4-910-173-3110202-104-009-025	ongoing	1.2M
Khasoko secondary school	Construction of dining hall	4-910-173-3110202-104-009-056	ongoing	1.5
Nanatotoa secondary school	Construction of one class	4-910-173-3110202-104-009-026	new	0.7M
Nanesasi ACK secondary	Construction of one class	4-910-173-3110202-104-	new	0.7M

school		009-054		
Mungore ACK secondary school	Construction of two class	4-910-173- 3110202-104- 009-024	new	0.7M
Namuminge primary school	Painting and plastering four classrooms	4-910-173- 3110202-104- 009-108	ongoing	0.8M
Nakwana primary school	Construction of one class	4-910-173- 3110202-104- 009-108	new	0.6M
Kelabisi primary school	Construction of one class	4-910-173- 3110202-104- 009-031	ongoing	0.4M

KISII COUNTY

Nyaribabi chache

4-910-173-3110202-104-009-108

PROJECT	ACTIVITY	PROJECT CODE	STATUS	AMOUNT
Nyakebako primary school	Renovation of four classes	4-610-206- 311202-104- 011-012	ongoing	0.4M
Gesere primary school	Renovation of four classes	4-610-206- 311202-104- 011-067	ongoing	0.4M
Ibeno primary school	Renovation of science lab	4-610-206- 311202-104- 011-003	ongoing	0.4M
Kirwa primary school	Renovation of four classes	4-610-206- 311202-104-	ongoing	0.4M

		011-059		
Kabosiprimary school	Renovation of eight classes	4-610-206-311202-104-011-068	ongoing	0.4M
Rikendoprimary school	Renovation of four classes	4-610-206-311202-104-011-066	ongoing	0.4M
Kereraprimary school	Renovation of four classes	4-610-206-311202-104-011-092	ongoing	0.4M
Ragehiprimary school	Renovation of four classes	4-610-206-311202-104-011-013	ongoing	0.4M
Etenoprimary school	Renovation of two classes	4-610-206-311202-104-011-081	ongoing	0.6M
Esamba primary school	Renovation of four classes	4-610-206-311202-104-011-031	ongoing	0.4M
Nyanko primary school	Renovation of four classes	4-610-206-311202-104-011-088	ongoing	0.4M
Nyaguru primary school	Renovation of four classes	4-610-206-311202-104-011-089	ongoing	0.4M
Riabangi primary school	Renovation of four classes	4-610-206-311202-104-011-090	ongoing	0.4M
Nyosio primary school	Renovation of four classes	4-610-206-311202-104-011-027	ongoing	0.3M
Kegati primary school	Renovation of four classes	4-610-206-311202-104-011-019	ongoing	0.4M
Nyamae primary school	Renovation of four classes	4-610-206-311202-104-011-094	ongoing	0.4M
Rondonga	Renovation of	4-610-206-	ongoing	0.4M

primary school	four classes	311202-104-011-092		
Nyabito primary school	Renovation of four classes	4-610-206-311202-104-011-015	ongoing	0.3M
Kiogoro primary school	Renovation of four classes	4-610-206-311202-104-011-082	ongoing	0.3M

BOMET COUNTY

PROJECT	ACTIVITY	PROJECT CODE	STATUS	AMOUNT
Lelkatet primary school	Construction of four classes	4-780-147-311202-104-002-095	ongoing	0.25M
Moburo primary school	Construction of four classes	4-780-147-311202-104-002-058	ongoing	0.45M
Ndabibi primary school	Completion of classes	4-780-147-311202-104-002-009	ongoing	0.4M
Boongo primary school	Completion of classes	4-780-147-311202-104-002-172	ongoing	0.35M
Mataima primary school	Completion of classes	4-780-147-311202-104-002-022	ongoing	0.4M
Kalyetab primary school	Completion of classes	4-780-147-311202-104-002-134	ongoing	0.65M
Longisa primary school	Completion of classes	4-780-147-311202-104-002-122	ongoing	0.35M
Mengits primary school	Completion of classes	4-780-147-311202-104-	ongoing	0.35M

		002-004		
Nyabago primary school	Completion of classes	4-780-147-311202-104-002-037	ongoing	0.6M
Baiya primary school	Completion of classes	4-780-147-311202-104-002-153	ongoing	0.7M
Norera primary school	Completion of classes	4-780-147-311202-104-002-153	ongoing	0.4M
Samoei primary school	Completion of classes	4-780-147-311202-104-002-152	ongoing	0.35M
Morit primary school	Completion of classes	4-780-147-311202-104-002-152	ongoing	0.35M
Kimuchol Sec. school	Completion of library	4-780-147-311202-104-101-039	ongoing	1M
Motigo Sec. school	Completion of library	4-780-147-311202-104-101-026	ongoing	0.3M
Njerani Sec. school	Completion of laboratory	4-780-147-311202-104-101-025	ongoing	0.7M
Nyongeres Sec. school	Roofing of classes	4-780-147-311202-104-101-024	ongoing	1.1M
St. Catherine sec. school	Completion of laboratory	4-780-147-311202-104-101-009	ongoing	1.5M
Konotit Girls school	Completion of dormitory	4-780-147-311202-104-101-010	ongoing	1M

Appendix iv: Approval Letter



**JOMO KENYATTA UNIVERSITY
OF
AGRICULTURE AND TECHNOLOGY**

DIRECTOR, BOARD OF POSTGRADUATE STUDIES

P.O. BOX 43000
NAIROBI - 00100
KENYA
Email: dir@ps.jkuat.ac.ke

TEL: 254 20 52181 2
FAX: 254 07 52101 5500

REF: BPS/HID411-C004-3536/2012

5TH JUNE, 2015

PAUL MACHOKA
C/o NCBD
JKUAT

Dear Mr. Machoka,

RE: APPROVAL OF Ph.D. RESEARCH PROPOSAL AND SUPERVISORS

Kindly note that your research proposal entitled: "Effects of Public Procurement Practices of Constituency Development Fund, Selected Projects in Kenya" has been approved. The following are your approved supervisors:-

1. Dr. Susan Were
2. Dr. Nicholas Letting

Yours sincerely,



PROF. MATHEW KINYANJUI
DIRECTOR, BOARD OF POSTGRADUATE STUDIES

for



JKUAT is ISO 9001:2008 Certified
Setting Trends in Higher Education, Research and Innovation

Appendix v : Letter of intent to Submit


**JOMO KENYATTA UNIVERSITY
OF
AGRICULTURE AND TECHNOLOGY
DIRECTOR, BOARD OF POSTGRADUATE STUDIES**

P.O. BOX 62000
NAIROBI - 00200
KENYA
Email: director@bps.jkuat.ac.ke

TEL: 254-067-52711/32181-4
FAX: 254-067-32164/32000

REF: JKU/2/11/HD411-C004-3536/2012 5th October, 2015

Mr. Paul Machoka
C/o NCBD


Dear Mr. Machoka,

RE: APPROVAL OF INTENT TO SUBMIT Ph.D. THESIS/REQUEST FOR CLEARANCE

Kindly refer to your letter of intent to submit your Ph.D. thesis for examination. This is to inform you that this has been approved. It is a requirement that you clear with all the relevant departments/sections of the University and forward the duly completed clearance form to the BPS office to enable us process your thesis for examination.



The clearance form is obtainable from the Office of the Director, Board of Postgraduate Studies.

Yours sincerely


**PROF. MATHEW KINYANJUI
DIRECTOR, BOARD OF POSTGRADUATE STUDIES**

Copy to; Director, NCBD
ACOD, EPD NCBD

rl

JKUAT is ISO 9001:2008 & 14001:2004 Certified
Setting Trends in Higher Education, Research and Innovation