

**FACTORS INFLUENCING ACCESSIBILITY OF THE PREFERENTIAL  
PUBLIC PROCUREMENT OPPORTUNITIES AMONG YOUTH GROUPS IN  
NAKURU WEST CONSTITUENCY**

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**DECLARATION**

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

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## **DEDICATION**

I dedicate this study to my parents, for their daily prayers and encouragement towards academic pursuit and excellence.

## **ACKNOWLEDGEMENT**

I am greatly indebted to my supervisor Dr. Wanderi for his guidance and scholarly advice throughout the writing of this project which enabled me to successfully complete my study. I would also like to convey my special thanks to my family members for their utmost patience during my studies and for their continuous encouragement, moral and unreserved best wishes. I would also like to express my heartfelt gratitude to my course mates for their support through discussions and to the entire Jomo Kenyatta University fraternity.

## ABSTRACT

Procurement encompasses the whole process of acquiring property and/or services. It begins when an agency has identified a need and decided on its procurement requirement. Irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated. Participation of Special Interest Groups in Public procurement has a great impact on the economy and needs to be well managed. The preference regulations allow government entities conducting procurement processes to allocate procurement opportunities to special groups i.e. youth, women and persons with disability. The general objective of the study was factors influencing accessibility of the preferential public procurement opportunities among youth's groups in Nakuru West constituency. Specifically the study wanted to establish whether financial capacity, tendering regulation and youth group competency is a determinant on accessibility of preferential public procurement opportunities among youth groups in Nakuru West Constituency. The study used agency theory, institutional theory and socio-Economic theory. The study adopted descriptive survey research design. The researcher targeted 74 officials from 20 active youth groups in Nakuru West Constituency. The study used census sampling technique. Therefore the study incorporated all the 74 targeted officials from the 20 active youth groups. Closed ended questionnaires were used as the data collection instrument for the study and developed through the guidance of the study's objectives and research questions. The validity of the instruments used in this study was established by conducting a pilot study. Once the raw data was collected, the questionnaires were checked for proper recording of the responses and completeness. The collected data was coded and analyzed by use of Statistical Package for Social Sciences SPSS version 24. Quantitative data was analyzed using both descriptive and inferential statistical techniques. Descriptive statistics included means, standard deviation, frequencies and percentages while inferential statistics was by means of correlation and regression analysis. The study concluded that financial capacity and tendering regulation have a statistically significant influence on the accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency. In the context of youth groups' competency, the study concluded that although they have positive influence on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency on their own, the influence is not statistically significant. The study recommends a deeper look into the influence of the various metrics used to examine the influence of financial capacity, tendering regulation, and youth group competency on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency.

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## **LIST OF ABBREVIATIONS**

<b>CDF</b>	Constituency Development Funds
<b>CPI</b>	Corruption Perception Index
<b>EU</b>	European Union
<b>PPAD</b>	Public Procurement Asset And Disposal Act
<b>GDP</b>	Gross Domestic Product
<b>ICT</b>	Information Communication Technology
<b>KENAO</b>	Kenya National Audit Office
<b>LPO</b>	Local Purchase Order
<b>NCCPL</b>	National Conference for Cleaner Public Life
<b>NSSF</b>	National Social Security Fund
<b>PPOA</b>	Public Procurement Oversight Authority
<b>SMEs</b>	Small And Medium Enterprises
<b>TI</b>	Transparency International
<b>UK</b>	United Kingdom
<b>US</b>	United State
<b>WTO</b>	World Trade Organization
<b>YAGPO</b>	Youth Access to Government Procurement Opportunities

## DEFINITION OF TERMS

- Financial Capacity** The combination of attitude, knowledge, competency, and self-efficacy needed to make and exercise money management decisions that best fit the circumstances of one's life, within an enabling environment that includes, but is not limited to, access to appropriate financial services (Gomez, 2009)
- Legislation** A law or set of laws suggested by a government and made official by a parliament (Walker, 2003)
- Preferential Public Procurement** A certain percentage of designated government procurement contracts or total spending reserved, or “set aside ”,for a targeted category of bidders that meet the preferential qualification criteria, in this case being considered inclusive businesses (R.O.K, 2013)
- Public Procurement** Public procurement is the process by which government and public entities purchase goods, services, capital and technologies for their own or publicuse(Purchasing Insight, 2013).

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background Information

Procurement encompasses the whole process of acquiring property and/or services. It begins when an agency has identified a need and decided on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property and/or services and, where relevant, the ongoing management of a contract and consideration of options related to the contract. Procurement also extends to the ultimate disposal of property at the end of its useful life (Waters, 2014). Public procurement is the acquisition of goods, services and works by a procuring entity using public funds (World Bank, 2015). It is a public good which is expected to be carried out with the requisite degree of integrity, fairness, accountability, competition, transparency, national interest, economy and should promote the local industry and general economic development. It is for these reasons that governments put in place laws, regulations and guidelines to govern the public procurement process so that these core values are met to the extent practicable.

The process in procurement starts from the initiation of the need by user department and it is approved by the head of the department by acknowledging the requirement (Eyaa, & Oluka, 2014). This has to do with the process of acquiring goods, works and services. It begins when a department has identified a need and decided on its procurement requirement. The process needs to adhere to the laid down procurement process and procedures in order to achieve procurement performance in Kenya. Procurement also extends to the ultimate disposal of property at the end of its useful life (Fisher & Lovell, 2009). Sound public procurement policies and practices are among the essential elements of good governance (KIPPRA, 2009).

Otieno (2006) notes that irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated. According to Thai (2001), the basic principles of good procurement practice include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources carefully, knowing clearly that they are

accountable to members of the public; competitive supply, which requires the procurement be carried out by competition unless there are convincing reasons for single sourcing; and consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation. The process should also uphold integrity by ensuring that there are no malpractices; informed decision-making, which requires public bodies to base decisions on accurate information and ensure that regulation are being met. More still, the Procurement practice should be responsive to aspirations, expectations and needs of the target society. Finally, there is need for transparency to enhance openness and clarity on procurement policy and its delivery (World Bank, 2013).

### **1.1.1 Preferential Procurement among the Youth**

Participation of Special Interest Groups in Public procurement is an important function of any government for several reasons (Blome, & Schoenherr, 2014). First, the sheer magnitude of Special interest Groups in procurement outlays has a great impact on the economy and needs to be well managed. Indeed, in all countries in the world, estimates of the financial activities of government procurement by the youth are believed to be in the order of 10% – 30 % of GNP (Callender & Mathews, 2010).

Article 55 of the Constitution of Kenya provides that the State shall take measures, including affirmative action programmes, to ensure that the youth access relevant education and training; have opportunities to associate, be represented and participate in political, social, economic and other spheres of life. The government of Kenya in furtherance to the constitutional provisions launched the “Youth Access to Government Procurement Opportunities” (YAGPO) which was aimed at creating awareness amongst the youth and the general public on the opportunities available in public procurement (R. O. K, 2013).

The preference regulations allow government entities conducting procurement processes to allocate procurement opportunities to special groups i.e. youth, women and persons with disability. The public entities are supposed to institutionalize procurement plans which should have a total reservation of 30% of the procurement budget to the special groups. The regulations also give guidance to government entities on how to advertise and evaluate the bids submitted by the special groups.

Public entities will also be required to submit quarterly reports to the Public Procurement Oversight Authority (PPOA) for compliance audits. To participate in the new preferred and reserved public procurement scheme, the youth, women, and persons with disability are required to register their enterprises with the relevant government body. The public entities will also be required to authenticate tender awards and purchase orders and enter into agreements with relevant financing institutions with an undertaking that the contracted enterprise will be paid through the account opened with the financier (PPAD act 2011).

The aim of Access to Government Procurement Opportunities (AGPO) Program is to facilitate the youth, women and persons with disability-owned enterprises to participate in government procurement (R. O. K, 2013). This was made possible through a Presidential Directive that 30% of government procurement opportunities be set aside specifically for these enterprises. It is affirmative action aimed at empowering youth, women and persons with disability-owned enterprises by giving them more opportunities to do business with Government. The Public Procurement and Disposal (Preference and Reservations) Regulations, 2011, shall apply to procurements by public entities when soliciting tenders from the following target groups: Disadvantaged Groups (Youth, Women, and Persons with Disability), Small Enterprises, Micro Enterprises, Citizen Contractors, local Contractors and Citizen Contractors in Joint-venture or Sub-contracting arrangements with foreign suppliers.

### **1.1.2 Youth Groups**

The youth in Kenya are facing numerous challenges which include but not limited to unemployment; Limited access to information, finance, competency and business development services; Limited access to affordable credit facilities; Ineffective commercial links between suppliers and buyers; and exclusion in decision-making processes (Minister of Finance Kenya, 2012).

The policy on preference and reservation in public procurements, with youths included, will help solve most of the economic and societal challenges facing the country. The youth involvement in public procurement borne from the preference policy is expected to be the highest amongst the special groups provided for in the policy given that they form a higher segment of the Kenya population. It is thus of

great interest to see the impact of this policy to youth. The Youth have the potential to accelerate productivity growth, but left idle, can represent a risk to social stability and in the longer term a risk to development of the nation's economy (Republic of Kenya 2013).

Ensuring that youths are successfully integrated into the economy through procurement will improve Kenya's competitiveness, raise household incomes, reduce poverty, and create a circle of investment and growth (Gatere, 2014). Unemployment has become a huge challenge for the country especially among the youth (R.o.K, 2005).

## **1.2 Problem Statement**

The preference regulations allow government entities conducting procurement processes to allocate procurement opportunities to special groups i.e. youth, women and persons with disability. The public entities are supposed to institutionalize procurement plans which should have a total reservation of 30% of the procurement budget to the special groups. The regulations also give guidance to government entities on how to advertise and evaluate the bids submitted by the special groups. Public entities are also required to submit quarterly reports to the Public Procurement Oversight Authority (PPOA) for compliance audits.

Past research studies have examined the effectiveness of public procurement audits for constituency development funds in Kenya. However, they did not address the accessibility of the preferential procurement regulations in Kenya. Ngugi and Mugo (2011) examined impact of procurement activities on the operation and effectiveness of public sectors in Kenya and concluded that it is essential that these activities be performed by qualified staff with high professional and ethical standards and using sound procedures anchored in appropriate policies and regulations. They however did not examine the accessibility of the preferential procurement regulations.

In their study, Kachieng'a and Ogara (2004) reviewed the processes of equipment planning, procurement and Management in public hospitals in Kenya and South Africa. They observed that procurement and management of health equipment required change in the approach, as it affects the quality of the healthcare services.

There lacks conclusive studies in Kenya on the factors influencing accessibility of the preferential public procurement opportunities among youths groups, as majority of reviewed studies focus on preferential public procurement in developed economies. This forms the research gap, and this study sought to examine factors influencing accessibility of the preferential public procurement opportunities among youth's groups.

### **1.3 Research Objective**

The general objective of the study was to determine factors influencing accessibility of the preferential public procurement opportunities among youth groups in Nakuru West constituency.

#### **1.3.1 Specific Objective**

- i. To determine the influence of financial capacity on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency.
- ii. To establish the influence of tendering regulation on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency.
- iii. To determine Influence of youth groups competency on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency.

### **1.4 Research Hypothesis**

**H<sub>01</sub>:** Financial capacity does not have a significant influence on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency.

**H<sub>02</sub>:** Tendering regulation does not have a significant influence on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency.

**H<sub>03</sub>:** Youth groups competency does not have a significant influence on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency.



### **1.5 Justification of the study**

The result will guide potential groups like NGOS, Youth Fund, Women Enterprise Fund and Commercial banks that would like to partner with the youth on their ability to gauge the ability of the youth to borrow and repay loans advanced to them. The study will also enlighten youth who are not aware of the opportunities that exist for them to raise fund to set up business. The study will enable youth to know the broad guidelines for accessing credit from the local institutions.

The research findings and policy recommendations generated from the study will be of invaluable input to the stakeholders and practitioners participating in Public Procurement. The findings are also expected to add more knowledge on the existing body of knowledge in the subject area.

### **1.6 Scope of the study**

The study focused on factors influencing accessibility of the preferential public procurement opportunities among youth's groups in Nakuru West Constituency. The study target population was 74 youth groups officials from 20 registered youth groups in Nakuru West Constituency. Nakuru West Constituency has in the past seen huge increase in youth groups in commercial activities hence making the site suitable for the study. Officials were used so as to narrow the scope of the study and bring consistency in the analysis of the findings. The study was conducted between the months of June-November 2017.

### **1.7 Limitation of the study**

This study faced various obstacles before the completion as some of the respondents were not aware of the concepts and therefore required explanation. Access to data was also a limitation as some of the information required was deemed as confidential by the youth groups, therefore the respondents were not willing to disclose some of the information. The researcher had to convince the respondent that the information was purely for academic purpose. Most of the respondents also were not conversant with English, this called for translation of the questionnaires into Kiswahili because some of the original meaning could be distorted.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter focuses on the previous studies done in the area which are Review of empirical literature, theoretical review, summary and gaps as well as conceptual framework. The section gives light to the study from previous researchers and the main studies on factors influencing accessibility of the preferential public procurement opportunities.

#### **2.2 Theoretical Review**

The theoretical framework is the structure that can hold or support a theory of a research study. The theoretical framework introduces and describes the theory which attempts to explain the research problem under study (William, 2006). The study used agency theory, institutional theory and socio-Economic theory to explain factors influencing accessibility of the preferential public procurement opportunities.

##### **2.2.1 Agency Theory**

The concept originated from the work of Adolf Augustus Berle and Gardiner Coit Means, who were discussing the issues of the agent and principle as early as 1932. Berle and Means explored the concepts of agency and their applications toward the development of large corporations. They saw how the interests of the directors and managers of a given firm differ from those of the owner of the firm, and used the concepts of agency to explain the origins of those conflicts (Murtishaw&Sathaye, 2006).

Jensen and Meckling(1976)shaped the work of Berle and Means in the context of the risk-sharing research popular in the 1960s and '70s to develop agency theory as a formal concept. Jensen and Meckling formed a school of thought arguing that corporations are structured to minimize the costs of getting agents to follow the direction and interests of the principals. The theory essentially acknowledges that different parties involved in a given situation with the same given goal will have different motivations, and that these different motivations can manifest in divergent ways. It states that there will always be partial goal conflict among parties, efficiency is inseparable from effectiveness, and information will always be somewhat asymmetric between principal and agent.

The theory has been successfully applied to myriad disciplines including accounting, economics, politics, finance, marketing, and sociology (Nikkinen&Sahlstrom, 2004). The social rules, expectations, norms, and values as the sources of pressure on organizations. This theory is built on the concept of legitimacy rather than efficiency or effectiveness as the primary organizational goal (Doug & Scott, 2004). The environment is conceptualized as the organizational field, represented by institutions that may include regulatory structures, governmental agencies, courts, professionals, professional norms, interest groups, public opinion, laws, rules, and social values.

Agency theory is a concept that explains why behavior or decisions vary when exhibited by members of a groups. Specifically, it describes the relationship between one party called the principal, that delegates work to another, called the agent. It explains their differences in behavior or decisions by noting that the two parties often have different goals and, independent of their respective goals, may have different attitudes toward risk. The theory is relevant to the study as it explains impact of the relationship between special groups and government procurement agencies. This agencies determines the extent to which youth groups will be motivated to access preferential procurement opportunities.

### **2.2.2 Institutional Theory**

Researcher such as DiMaggio and Powell (1983) are some of the institutional theorists who assert that the institutional environment can strongly influence the development of formal structures in an organization, often more profoundly than market pressures. Innovative structures that improve technical efficiency in early-adopting organizations are legitimized in the environment. Ultimately these innovations reach a level of legitimization where failure to adopt them is seen as "irrational and negligent" (or they become legal mandates). At this point new and existing organizations will adopt the structural form even if the form doesn't improve efficiency.

The basic concepts and premises of the institutional theory approach provide useful guidelines for analyzing organization-environment relationships with an emphasis on the social rules, expectations, norms, and values as the sources of pressure on

organizations. This theory is built on the concept of legitimacy rather than efficiency or effectiveness as the primary organizational goal (Doug & Scott, 2004). The environment is conceptualized as the organizational field, represented by institutions that may include regulatory structures, governmental agencies, courts, professionals, professional norms, interest groups, public opinion, laws, rules, and social values. Institutional theory assumes that an organization conforms to its environment.

There are, however, some fundamental aspects of organizational environments and activities not fully addressed by institutional theory that make the approach problematic for fully understanding credit reference bureaus and their environment: the organization being dependent on external resources and the organization's ability to adapt to or even change its environment (Doug & Scott, 2004). In this case youths are considered as institutions which have different environment. The environment varies in terms of social and economic settings. The environment factors dictate the willingness and capacity of youth groups in accessing preferential procurement opportunities.

### **2.2.3 Social –Economic Theory**

According to Lisa (2010) Social–Economic perspectives provide a basis for the success or failure of organizational compliance. Wilmshurst and Frost (2000) also add that the legitimacy theory postulates that the organization is responsible to disclose its practices to the stakeholders, especially to the public and justify its existence within the boundaries of society.

Social and economic indicators can be applied in both the temporal and spatial contexts. They can be used to graph the growth and development of a nation during a particular span of time, or to map the economic and social attributes of the various territorial units that make up a nation. Territorial indicators which measure social, economic and related phenomena have two major roles. At the research level they may be used for theoretical and empirical studies of the processes and problems of economic development; it is important, for example, that we know more about the spatial impact of economic growth and the processes by which the advantages and disadvantages of growth in some areas are transmitted to other areas of relative stagnation (Weinand, 1973).

This theory, which focuses on the relationship and interaction between an organization and the society, provides a sufficient and superior lens for understanding government procurement system (Hui Yin Yeong, 2011). From this theory, the perceived legitimacy of public procurement rules has been identified as one of the antecedents of public procurement compliance behavior.

### **2.3 Review of Empirical Literature**

This section reviews literature from past studies that have link on accessibility to preferential public procurement opportunities. It has three dimensions, financial capacity, tendering requirement and youth groups skill.

#### **2.3.1 Financial capacity on accessibility of preferential public procurement opportunities**

The preference regulations give guidance to government entities on how to advertise and evaluate the bids submitted by the special groups. Public entities will also be required to submit quarterly reports to the Public Procurement Oversight Authority (PPOA) for compliance audits. To participate in the new preferred and reserved public procurement scheme, the youth, women, and persons with disability are required to register their enterprises with the relevant government body. The public entities will also be required to authenticate tender awards and purchase orders and enter into agreements with relevant financing institutions with an undertaking that the contracted enterprise will be paid through the account opened with the financier (PPAD 2011).

Byokusheka (2008) noted that, the procurement objective is to provide quality goods and services through open and fair competition in the exact quantity and proper quality as specified; and has to be delivered at the time and place where needed. Therefore, to secure such goods and services at competitive prices requires accurate planning and involvement of a number of stakeholders.

Linarelli& Wallace (2000), in their study of procurement argued that any procurement begins with the planning decision to make the purchase. This will involve deciding whether there is a need for the particular goods or services and will equally involve ensuring that the purchaser has the legal powers to undertake the transaction,

obtaining any relevant approvals within the government hierarchy and arranging the necessary funding.

However Ntayi (2009) observes that millions of dollars get wasted due to inefficient and ineffective procurement structures, policies and procedures as well as failure to impose sanctions for violation of procurement rules thus resulting in poor service delivery. Public procurement is the acquisition of goods, services and works by a procuring entity using public funds (World Bank, 1995). The level of compliance to procurement regulations can therefore determine whether a government meets its goals and objectives (Sarah, 2011).

The development of small and medium enterprises (SMEs) run by specialized groups is very important for the national economy and public procurement can be an important source of business for SMEs Orwa, (2007). However, access to public sector contracts by smaller entities is often seen as a problem, at national and global level, for many in the sector. While sustaining development impacts is key, it is the majority at grassroots that accelerate and sustain poverty reduction efforts (Gichure, 2007), hence the need to target the rural poor to achieve overall economic growth by funding them to be able to access public procurement. Mamic (2005) argues that the high proportion of women in the poverty groups in the third world makes efforts at development fruitless. This is because the investment threshold for the third world has pushed far above the current levels of funding to a point where local level development is the only feasible alternative solution Gomez (2009).

The Kenyan government has had an uphill task for youth and women groups to play in the big-ticket leagues of public procurement as they may not have the financial capacity (Owino, 2013). Fortunately, there are a host of financial instruments being offered by various institutions, including local purchase order (LPO) financing and invoice discounting. There is also the Uwezo Fund and the youth and women enterprise fund. The trouble with supplying the government is that, because the quantities required are often very large, the capital requirement can be high. Yet processing an invoice can take months. “The best thing about getting a government contract is that you will get paid. The downside is it could take a while (Polo, 2008).

### **2.3.2 Tendering Regulation on Accessibility of Preferential Public Procurement Opportunities**

According to Zubcic and Sims (2011), enforcement of regulations could be broadly viewed as any actions taken by the regulators to effect enforcement on compliance. Cunningham and Kagan (2007) also agree that enforcement also improves compliance. According to Zubcic and Sims (2007), enforcement actions and increased penalties lead to greater levels of compliance with the laws. According to Nwabuzor(2005), corruption among government procurement officials in developing countries such as Bangladesh, India, Sri Lanka and Nigeria have been linked to weak enforcement of the rule of law.

To give the effect of overriding socio-economic regulation of the country, the Public Procurement and Disposal (Preference and Reservations) Regulations 2011 was gazette in the legal notice number 58. These regulations provide a framework for the implementation of preferential procurements in Kenya's public procurement. The preference regulations allow government entities conducting procurement processes to allocate procurement opportunities to special groups i.e. youth, women and persons with disability. The government has further refined the procurement laws to ensure the special groups, i.e. persons with disabilities, women and youth meet the threshold required so as to utilize the 30% of the government tenders as read in the 2013/2014 budget.

In the year 2013/14, the GOK was expected to spend about 70% of the 1.6 Trillion Shillings budget on procurement of goods and services. 30% of all government procurement amounting to approximately 336 Billion Shillings will be reserved for women, youth, persons living with disabilities and small and medium enterprises in a bid to even the playing field and provide equal opportunities to these groups. Categories of goods and services that would be procured on preferential basis to persons who had been previously discriminated or disadvantaged by unfair competition would be required to be put in the procurement plans of the public institutions.

In countries with strong bidding mechanisms, bidders are allowed to participate in all procurement process and can lodge review complaint if they deem the procurement process was not in consonance with the regulations. Such bidder participative mechanisms are a strong force for procurement officials to abide by the regulations (Hui et al, 2011). Gunningham and Kagan (2005) observes that the threat of legal sanctions is essential to regulatory compliance and that enforcement action has cumulative effect on the consciousness of regulated companies and it reminds companies that circumvention of law will never go unpunished. Gunningham and Kagan (2005) observe that the end product of a sustained enforcement action is an inherent culture of compliance to procurement regulations by all and sundry.

The PPOA is the main procurement oversight Authority which is mandated to conduct investigations into public sector procurement malpractices (PPDA Act, 2005) and forward the recommendations to the Ethics and Anti-corruption Commission for auctioning and prosecution. Also working closer on enforcement of procurement regulations is the Kenya National Audit Office (KENAO) which audits all public funded entities and tables its report to International Journal of Economics, Commerce and Management, United Kingdom Licensed under Creative Common parliament on a quarterly or annual basis for action.

The public procurement process may be viewed as proceeding through various stages of progression Varney, (2011). It has been argued (Walker, 2003) that public procurement reform is most likely to succeed when it proceeds through a step process: There has to be support from highest political levels: this is seen as necessary for any organizational change to succeed, as it avoids any doubt about the government's commitment to reform; Publicity about the advantages of the new system; There is need for cooperation between the public and private sector leading to better understanding of each other's' problems and needs; There is need for good procurement training: to raise the competency of procurement staff and to familiarize suppliers with the regulation of the reformed system; There is need for good procurement legislation: both primary legislation and secondary implementing legislation; and also the need for establishment of a central public procurement office for overall policy making and supervision of public procurement in the country.



The Public Procurement Oversight Authority (PPOA 2005) review team identified the following challenges faced by National Social Security Fund (NSSF) in respect of the implementation of the procurement law and regulations: Inability to translate procurement law and regulations into everyday language, so that management sees and understands the impact to their compliance; inadequate records management and filing systems, Musa et al, (2011). Retrieving records for review purposes was slow, time consuming and even for the files made available, some records pertaining to fulfillment of the procurement process were incomplete, limiting the review scope; Lack of operating ICT systems and applications covering all aspects of procurement; Insufficient training in procurement law for the persons involved in the procurement related functions Inadequate contract management and Insufficient communication and coordination between the user departments and Procurement Unit on procurement planning and implementation (PPOA, 2006).

### **2.3.3 Youth groups Competency on Accessibility of Preferential Public Procurement Opportunities**

Public procurement policy makers recognize the importance of the role of SMEs in the economy, including the importance of their participation in the public procurement market (Croom,2005). Public procurement can help in the development of an effective and efficient SME sector by providing appropriate opportunities for SMEs which are mostly run by special groups to demonstrate their competency and capabilities, including the purchase of goods and services which allows SMEs to develop and demonstrate innovative goods and services (Croom, & Johnston,2003).

In the past, procurement was considered mainly as an operational activity rather than as a key strategic function in the business planning process (Hagén&Zeed, 2005). Public purchasers concentrated on compliance with rules and procedures set down in guidelines, regulations or EU Directives to seek value for money outcomes from procurement while observing necessary standards of probity and ethics (Nagurney, 2010). Further, Jamii Bora in Kenya is offering training to the special groups on how to bid for government contracts.

Most public procurement systems address in one way or another issue of how to provide information support for the domestic supplier base (Griffith, & Myers, 2005).

Improved information techniques mostly through the internet for buying goods and services using modern quality standards and business practices in the government can help improve the efficiency of special groups's suppliers as they compete for government contracts with big players. Such improvements in information access can enhance trade prospects by making these suppliers more acceptable vendors to global business partners Nelson et al (2007), uninformed inefficient government suppliers provide poor value to their national government, and are unlikely to engage in any meaningful private sector trading partnerships in the era of global competition Zwicker, & Ringheim, (2004). First, the primary source of information for these groups on what is to be awarded is the tender notices placed in the newspapers.

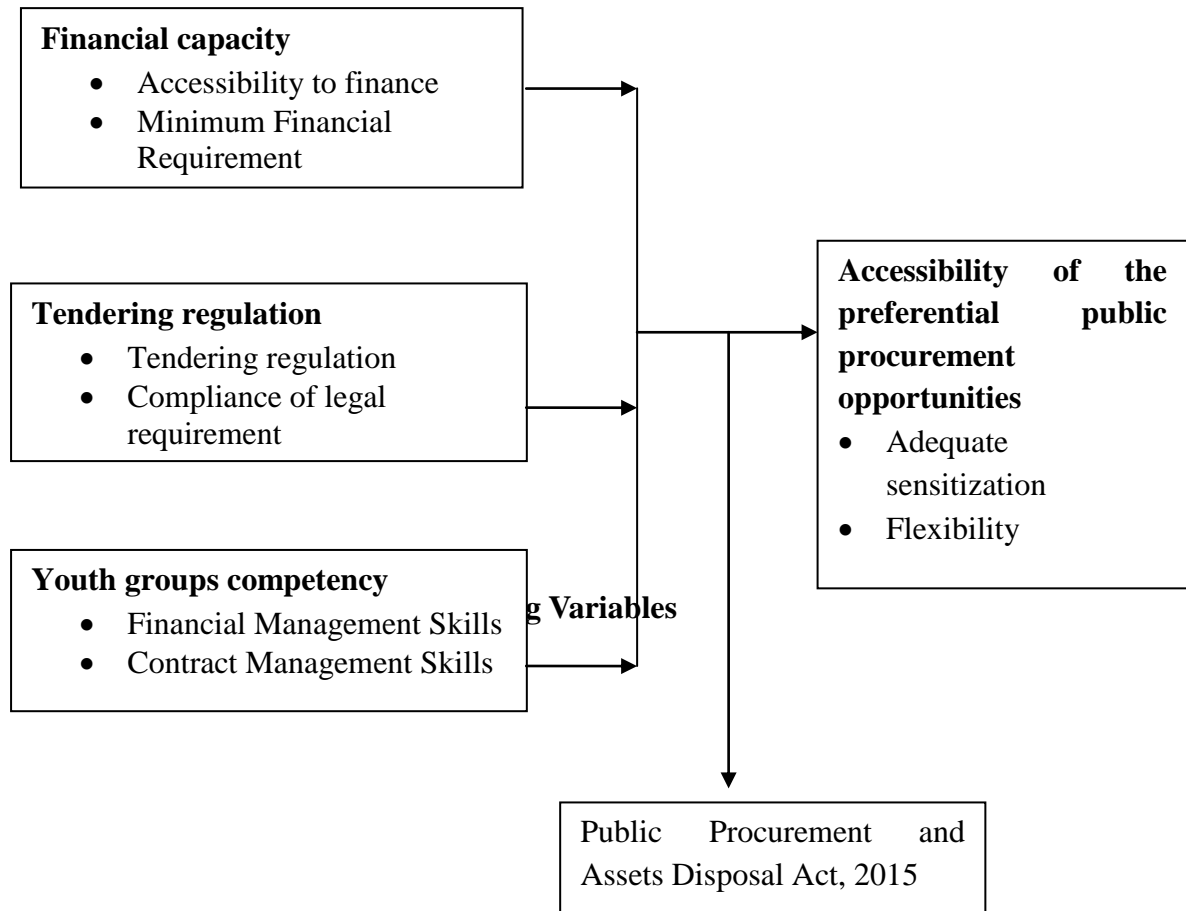
According to Landale (2006), training is the process of acquiring knowledge and competency by the team who participate in the public tendering process for efficient and effective service delivery. Through training participants acquire new sets of values and attitudes. The appreciation of their inherent but untapped potential and reinforce their self-confidence and sense of autonomy as opposed to dependency (Osborn et al 2003). For any project to be implemented successfully people involved must be trained.

The training offered must be of quality to ensure effective implementation of tendering process. If this is lacking then the tendering process will be adversely affected (Husband & Bolles 2007). According to the Public Procurement and Disposal Act 2005 section (7) procurement shall be staffed with procurement professionals whose qualifications have been recognized by the authority. The authority shall facilitate the establishment of an examination body for procurement professionals and shall ensure support for their professional association. This means that learning is knowledge and knowledge is power (Ahmed, Irfan & Parasuraman, 1994).

## 2.4 Conceptual Framework

### Independent variable

### Dependent variable



**Figure 2.1: Conceptual Framework**

Figure 2.1 above provides a conceptual framework of the study. According to McGaghie *et al.* (2001) a conceptual framework “sets the stage” for the presentation of the particular research question that drives the investigation being reported based on the problem statement. The conceptual framework has dependent and independent variables as well as intervening variable. The dependent variable was accessibility of the preferential public procurement opportunities with adequate sensitization and flexibility as indicators. Independent variables were financial capacity, tendering regulation and youth groups competency. Intervening variable was Public Procurement Asset and Disposal Act 2015.

## **2.5 Critique of the Study**

Analyzing phenomena only within agency theory framework may result in: disregarding of principal's obligation towards agent; ignoring distrust development and disrespect of agents. Focus of agency theory's studies is individual consistent with rational, economic model of human behavior. However, absolute explication of every organizational activity should not be considered as equivalent to individual activity and that represents essential critic of structuralism.

Institutional theory approach provides useful guidelines for analyzing organization-environment relationships with an emphasis on the social rules, expectations, norms, and values as the sources of pressure on organizations. This theory is built on the concept of legitimacy rather than efficiency or effectiveness as the primary organizational goal.

Economically developed societies devote considerable resources to collecting economic and social indicators to help policy makers in their deliberations about how to best increase quality of life. These measures have had notable successes, and yet they suffer from substantial limitations. The reasons that economic and social indicators cannot reflect the full range of factors that affect quality of life are for example, no complete list of factors influencing quality of life can be created, and the way people weight these factors differs. Furthermore, it is often not clear which set of measures best reflects desirable states in various areas such as the economy. In the context of the economy, there is disagreement about which forms of goods and services need to be counted, for example whether housework should be part of the gross domestic product (GDP). Because of the shortcomings of economic and social indicators, additional information is required for wide policy making.

## **2.6 Summary of the Reviewed Literature**

The three theories, that is, agency theory, institution theory and social economic theory try to explain the relationship between youth groups and their motivation to work. Agency theory explains differences in behavior or decisions by noting that the two parties often have different goals and, independent of their respective goals, may have different attitudes toward risk. The theory explains effects of the relationship between special groups and government procurement agencies. The agency

determines the extent to which youth groups will be motivated to access preferential procurement opportunities.

Institutional theory assumes that an organization conforms to its environment. Youths are considered as institutions which have different environment. The environment varies in terms of social and economic settings. The environment factors dictate the willingness and capacity of youth groups in accessing preferential procurement opportunities. Social-economic theory which focuses on the relationship and interaction between an organization and the society, is perceived legitimacy of public identified as one of the antecedents of public procurement compliance behavior.

Lack of employable and entrepreneurial competency, are some of the most crucial problems facing youths. As a result youths are generally excluded from public procurement thereby hampering their overall economic independence (R.o.K, 2013). Ngugi and Mugo (2011) examined impact of procurement activities on the operation and effectiveness of public sectors in Kenya and concluded that it is essential that these activities be performed by qualified staff with high professional and ethical standards and using sound procedures anchored in appropriate policies and regulations. He adopted a descriptive research design to analyze the purchasing process in the Health-Care industry.

## **2.7 Research Gaps**

Based on the literature reviewed, it is evident that there are inadequate studies on the challenges facing the implementation of youth preferential procurement in public procurement in Kenya. Studies conducted in Kenya in the area have focused more on the effectiveness of procurement process in general. Ngugi and Mugo (2007) analyzed the effect of procurement activities on the operation and effectiveness of public sectors in Kenya. However, he did not address the effectiveness of private sectors. Also Zomboko (2012) analyzed the challenges in procurement and use of donated medical equipment in referral hospital in Tanzania. In addition Harpe (2009) assessed public procurement law in South Africa but failed to establish the challenges both studies were based in a different country and therefore certain dynamics cannot apply in Kenya.

Therefore, there lacks conclusive studies in the area of public procurement for the special interest groups as majority of reviewed studies focuses the general procurement. This forms the research gap. It is for this research gap that this study wishes to establish the factors influencing accessibility of preferential public procurement opportunities among the youths

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

In this chapter, the procedure of carrying out the research study is outlined. The research design, target population, sampling technique and sample size, research instrument, pilot testing, data collection procedure, the research design, target population, sample design, data analysis and presentation.

#### **3.2 Research Design**

A research design is defined as a blueprint of carrying out a study with maximum control over factors that interfere with the validity of the findings (Kothari, 2004). In respect to this study, a descriptive survey research design was adopted. A descriptive research design is one that entails collecting data as it exists in the natural setting without changing the environment or manipulating variables (Orodho, 2003). A survey research design is suitable and appropriate for this study because it allows collection of large amount of data from the field. By using survey design, there is generalization of information related to the target population (Cooper & Schindler, 2011).

#### **3.3 Target Population**

According to Mugenda and Mugenda (2003) target population is a complete set of individuals, cases or objects with some common observable characteristics. The researcher targeted 74 officials from 20 active youth groups in Nakuru West Constituency. The researcher ensured that all the groups involved were not only registered but also active. Table 3.1 below shows the number of officials from youth groups in Nakuru West Constituency.

**Table 3.1: Target Population.**

<b>Youth Groups</b>	<b>Total Officials</b>
Golden Youth Groups	5
Ekegoru Self Help Youth Groups	3
AmukeniKaptembwo Self Help Youth Groups	3
Jua Kali Pondamali Youth Groups	4
HeshimaBodaboda Self Help Groups	3
Kaptembwo Peace Makers Self Help Groups	4
Kisulisuli Youth Groups	4
Taratibu Youth Groups	3
Jitegemee Self Help Groups	4
Kifi Vision Youth Groups	5
Rehoboth Kaptembwo Youth Groups	3
Yawezekena Self Help Youth Groups	4
Talent is power Youth Self Help Groups	3
Innovative Entrepreneur Self Help Groups	3
AmukeniKaptembwo Self Help Youth Groups	4
Innovative entrepreneur	3
Hope investment	4
Mwamogusii youth society	3
Shamba la mawe youth groups	5
Shabab check point youth groups	4
<b>Total</b>	<b>74</b>

**Source: Ministry of Public Service Youth & Gender Affairs (2017)**

### **3.4 Census**

The study used census sampling technique. According to Mugenda (2001) census is sampling technique whereby every number or item of the population is surveyed. Therefore the study incorporated all the 74 targeted officials from the 20 youth groups. Census is conducted with definite objectives, which may be both general and specific. This method should be used only when there's need to have information on every member in the population. In this way, the method has the advantage of being comprehensive.



### **3.5 Data Collection Instrument and Procedures**

Closed ended questionnaire were used as the data collection instrument for the study and developed through the guidance of the study's objectives and research questions. Sekaran and Bougie (2010) stressed that this method has three major advantages; all completed questionnaires can be collected within a short period of time, a researcher can answer any questions from respondents on the spot and can also enhance respondent participation and it is less expensive and time consuming than conducting interviews. The closed ended questions were accompanied by a list of possible alternatives from which the respondents were expected to choose answers that best describes their situation.

The questionnaires were administered on a drop and pick up later basis where the respondents were given two days to answer the questions at their own pace; this was done in order to ensure uniformity of answers and also to increase the response rate. The researcher obtained the necessary permits and consents from relevant authorities. This means, the formal approval of Jomo Kenyatta University of Science and Technology was obtained. This was followed by the consent of management of the targeted Youth Groups in Nakuru town. The questionnaire was self-administered in order to enhance response rate.

### **3.6 Validity of Instrument**

Validity is establishing whether the instrument content is measuring what is intended to measure (Orodho, 2003). Mugenda and Mugenda, (2003) defined validity as the degree to which an instrument meets the objectives that were set in the study and present the actual phenomena under study. According to Borg and Gall (1989) it is the degree to which a test measures its purpose. The instrument used in the study was validated with the help of the research supervisor.

### **3.7 Reliability of the Measuring Instruments**

Internal consistency reliability test was conducted using Cronbach Alpha Test as depicted in table 3.2 below. According to Malhorta (2004), the standard minimum value of  $\alpha = 0.7$ . Thus the value of financial capacity  $\alpha = 0.763$ , tendering regulation  $\alpha = 0.756$  and youth groups competency = 0.776. The results confirmed data reliability for the three independent variables and therefore they were retained.

**Table 3.2: Cronbach Alpha Test Results**

<b>Variables</b>	<b>Cronbach Alpha</b>	<b>No. of Items</b>
Financial capacity	0.763	5
Tendering regulation	0.756	6
Youth groups competency	0.781	5

### **3.8 Data Analysis Technique**

The data processing was done through editing, coding, classification and tabulation. Data was entered and analyzed using SPSS version 24 statistical software. The use of the SPSS software is considered appropriate due to the use of the structured questionnaire hence presenting an easy way to analyze the data. The extracted data was quantitative in nature and was presented in tables. Both descriptive and inferential analysis was carried out. Descriptive statistical tools included frequency, percentages means and standard deviations. On the other hand, inferential analysis was in the form of Pearson's correlation coefficient and multiple regressions. The following regression model was used to guide the study.

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

Where:

**Y** = Accessibility of the Preferential Public Procurement Opportunities

**$\alpha$**  = Constant

**$X_1$**  = Financial Capacity;

**$X_2$**  = Tendering Regulation;

**$X_3$**  = Youth groups Competency

**E** = Error term

**$\beta_1, \beta_2, \beta_3$**  = Régression coefficients of Independent variables

## **CHAPTER FOUR**

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

#### **4.1 Introduction**

The purpose of the study was to determine factors influencing accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency. The study was based on three objectives which were to establish the influence of financial capacity, tendering regulation, and youth groups' competency on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency. The results are presented in tables and analysis done using frequencies, percentages, means and standard deviations for descriptive statistics and multiple linear regression for inferential statistics.

#### **4.2 Response Rate**

The study was a census of 74 officials from 20 active youth groups in Nakuru West Constituency. Therefore, 74 questionnaires were distributed to the potential respondents. Out of the 74 questionnaires that were dropped to respondents, 71 questionnaires were picked from the respondents since 3 questionnaires had not been filled despite the respondents having been given two days to fill the questionnaires at their pace. The collected questionnaires were subjected to a process of editing to ensure that there was consistency in responses and that there were no missing responses. This led to rejection of 7 questionnaires and this meant that the completely filled questionnaires were 64. Responses from these 64 questionnaires were coded, entered and analyzed using SPSS version 24 statistical software and are the basis of results of this study. This gave a response rate of 86.5% which was considered sufficient for data analysis following the recommended minimum of 80.0% by Mugenda and Mugenda (2003).

#### **4.3 Demographic Characteristics**

The gender of respondents, age of respondents, and highest education respondents had attained were used to establish their background characteristics. Additionally, the length of time the groups have been in existence was of interest to determine the demographic characteristics of respondents.

### 4.3.1 Gender of Respondents

The respondents were requested to indicate their gender on the questionnaires and results are as shown in Table 4.1.

**Table 4.1:** Distribution by Gender of Respondents

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
Male	35	54.7%
Female	29	45.3%
<b>Total</b>	<b>64</b>	<b>100.0%</b>

Slightly above half of the respondents were male (54.7%) while the female respondents were 45.3% of the respondents. The higher number of male respondents could be attributed to more male members of groups being elected to leadership positions since the study utilized officials of active youth groups.

### 4.3.2 Age of Respondents

The respondents were asked to indicate the category where their age fell in from four categories, that is, 20-30 Years, 31-40 Years, 41-50 Years, and 51 Years and above. Results are presented in Table 4.2.

**Table 4.2:** Distribution by Age of Respondents

<b>Age</b>	<b>Frequency</b>	<b>Percentage</b>
20-30 Years	25	39.1%
31-40 Years	35	54.7%
41-50 Years	2	3.1%
51 Years and Above	2	3.1%
<b>Total</b>	<b>64</b>	<b>100.0%</b>

Most of the respondents (54.7%) were aged 31-40 Years and 39.1% of the respondents were 20-30 Years of age. Respondents who were 41-50 Years of age were 3.1% of the respondents which was the same for respondents aged 51 Years and above (3.1%). The study was based on youth groups thus the higher number of respondents who were 20 to 40 years of age.

### 4.3.3 Highest Education Level Attained by Respondents

The respondents indicated the highest education level they had attained by the time the study was undertaken among secondary, college and university levels of education. The results are as shown in Table 4.3.

**Table 4.3:** Distribution by Highest Education Level Attained by Respondents

	<b>Frequency</b>	<b>Percentage</b>
Secondary	12	18.8%
College	28	43.8%
University	24	37.5%
<b>Total</b>	<b>64</b>	<b>100.0%</b>

Most of the respondents had their highest education level at college (43.8%). Respondents with university level of education as their highest level were 37.5%. The higher literacy levels of respondents with college and university levels make them more aware of the accessibility of the preferential public procurement opportunities and more confident to access these opportunities.

### 4.3.4 Length of Time Groups Has Been in Existence

The study was interested in establishing how long the groups used in the study had been in existence in order to determine the background characteristics of the respondents. Table 4.4 shows results of this examination.

**Table 4.4:** Distribution by Length of Time Groups Has Been in Existence

	<b>Frequency</b>	<b>Percentage</b>
Below 1 Year	11	17.2%
2-5 Years	41	64.1%
6-10 Years	7	10.9%
Above 10 Years	5	7.8%
<b>Total</b>	<b>64</b>	<b>100.0%</b>

About three fifths of the respondents indicated that their groups had been in existence for 2-5 Years. Respondents who indicated that their groups had existed for below a year were 17.2%, 6-10 Years were 10.9% and above 10 Years were 7.8% of the respondents. Most of the youth groups have been in existence for 2-5 years which

could be due to an increase in the formation of groups with the aim of accessing the Youth and Women Enterprise Fund and Uwezo Fund.

#### **4.4 Financial Capacity**

The study sought to determine the influence of financial capacity on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency using various metrics. These included adequacy of financial capacity for groups to bid for advertised tenders, sufficiency of financial skills to give practical price quotation for tenders, affordability of terms of credit offered by financial institutions to access government procurement opportunities, ability of the groups to get access to funds from financial institutions in order to bid for advertised tenders, and awareness of the use of Local Purchasing Orders (LPOs) and Uwezo funds for funding public procurement bids.

The mean scores and standard deviations were used to determine the average perceptions of respondents and variation of responses from the mean, respectively. The study utilized a five point Likert scale with 5= Strongly Agree, 4=Agree, 3=Undecided, 2=Disagree, and 1= Strongly Disagree. Means ( $\mu$ ) were grouped into five intervals with means of ( $4.5 < \mu \leq 5$ ) indicating that on average the respondents tended to strongly agree, ( $3.5 < \mu < 4.5$ ) indicating that on average the respondents tended to agree, ( $2.5 < \mu < 3.5$ ) indicating that on average the respondents tended to be undecided, ( $1.5 < \mu < 2.5$ ) indicating that on average the respondents tended to disagree, and ( $1 \leq \mu < 1.5$ ) indicating that on average the respondents tended to strongly disagree.

The standard deviations ( $\sigma_x$ ) were grouped into three intervals with  $\sigma_x \leq 0.5$  indicating there was low variation of responses from the mean implying high consensus amongst respondents, ( $0.5 < \sigma_x < 1$ ) indicating there was moderate variation of responses from the mean implying moderate consensus amongst respondents and  $\sigma_x \geq 1$  indicating high variation of responses from the mean implying lack of consensus amongst respondents.

The results of this examination are presented in Table 4.5, show that most of the respondents (45.3%) disagree with the statement; my group always has adequate financial capacity to bid for advertised tenders. Additionally, 37.5% of the

respondents strongly disagreed with the same statement. On the other hand, 1.6 % tended to strongly agree and 4.7% tended to agree with the statement; my group always has adequate financial capacity to bid for advertised tenders.

**Table 4.5:** Frequency Distributions for Financial Capacity

	<b>SA</b>	<b>A</b>	<b>U</b>	<b>D</b>	<b>SD</b>
	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
My groups always has adequate financial capacity to bid for advertised tenders	1.6	4.7	10.9	45.3	37.5
My groups has sufficient financial skills to give practical price quotation for tenders	0.0	9.4	14.1	23.4	53.1
Terms of credit offered by financial institutions to access government procurement opportunities is affordable to our youth groups	0.0	15.6	15.6	45.3	23.4
My groups is able to get access to funds from financial institutions in order to bid for advertised tenders	0.0	1.6	28.1	43.8	26.6
My groups is aware of the use of Local Purchasing Orders (LPOs) & Uwezo funds for funding public procurement bids	1.6	4.7	7.8	37.5	48.4

Slightly above half of the respondents (53.1%) tended to strongly disagree that their groups has sufficient financial skills to give practical price quotation for tenders while 23.4% disagreed on the same. While none of the respondents (0.0%) tended to strongly agree that their groups has sufficient financial skills to give practical price quotation for tenders, 9.4% tended to agree that their groups had sufficient financial skills to give practical price quotation for tenders. Respondents who were undecided whether their groups has sufficient financial skills to give practical price quotation for tenders were 14.1%.

Most of the respondents tended to disagree that terms of credit offered by financial institutions to access government procurement opportunities are affordable to their

youth groups (45.3%) and that their groups is able to get access to funds from financial institutions in order to bid for advertised tenders (43.8%). Similar sentiments were made by 37.5% of respondents in respect to their groups being aware of the use of Local Purchasing Orders (LPOs) and Uwezo funds for funding public procurement bids. However, most of the respondents (48.4%) tended to strongly disagree that their groups is aware of the use of Local Purchasing Orders (LPOs) and Uwezo funds for funding public procurement bids. On the other hand, 1.6% of the respondents tended to strongly agree, 4.7% tended to agree and 7.8% tended to be undecided that in respect to their groups being aware of the use of Local Purchasing Orders (LPOs) and Uwezo funds **for funding public procurement bids.**

**Table 4.6:** Descriptive Statistics for Financial Capacity

	N	Min	Max	Mean	Std. Dev.
My groups always have adequate financial capacity to bid for advertised tenders	64	1.00	5.00	1.88	0.90
My groups has sufficient financial skills to give practical price quotation for tenders	64	1.00	4.00	1.80	1.01
Terms of credit offered by financial institutions to access government procurement opportunities is affordable to our youth groups	64	1.00	4.00	2.25	0.99
My groups is able to get access to funds from financial institutions in order to bid for advertised tenders	64	1.00	4.00	2.05	0.79
My groups is aware of the use of Local Purchasing Orders (LPOs) & Uwezo funds for funding public procurement bids	64	1.00	5.00	1.73	0.91
Valid N (listwise)	64				

On average respondents tended to disagree ( $1.5 < \mu < 2.5$ ) that their groups always have adequate financial capacity to bid for advertised tender (mean of 1.88) and sufficient financial skills to give practical price quotation for tenders (mean of 1.80). This was consistent with sentiments by Owino (2003) who noted that the Kenyan government has had an uphill task for youth and women groups to play in the big-



ticket leagues of public procurement as they may not have the financial capacity (Owino, 2013). Linarelli & Wallace (2000), in their study of procurement argued that any procurement begins with the planning decision to make the purchase. This will involve deciding whether there is a need for the particular goods or services and will equally involve ensuring that the purchaser has the legal powers to undertake the transaction, obtaining any relevant approvals within the government hierarchy and arranging the necessary funding.

On average respondents tended to disagree ( $1.5 < \mu < 2.5$ ) that the terms of credit offered by financial institutions to access government procurement opportunities are affordable to their youth groups (mean of 2.25). Similarly, respondents on average tended to agree that they were able to get access to funds from financial institutions in order to bid for advertised tenders (mean of 2.05) and that their groups was aware of the use of Local Purchasing Orders (LPOs) and Uwezo funds for funding public procurement bids (mean of 1.73). This contradicted findings by Polo (2008) who noted that there are a host of financial instruments being offered by various institutions, including local purchase order (LPO) financing and invoice discounting as well as the Uwezo Fund and the youth and women enterprise fund.

There was a high variation in responses implying a lack of consensus ( $\sigma_x \geq 1$ ) amongst respondents in respect to the groups always having sufficient financial skills to give practical price quotation for tenders (standard deviation of 1.01). There was moderate consensus ( $0.5 < \sigma_x < 1$ ) amongst respondents that the groups always have adequate financial capacity to bid for advertised tender (standard deviation of 0.90) and terms of credit offered by financial institutions to access government procurement opportunities are affordable to the youth groups (standard deviation of 0.99). Similarly, there was moderate consensus amongst respondents that the groups are able to get access to funds from financial institutions in order to bid for advertised tenders (standard deviation of 0.79), and are aware of the use of Local Purchasing Orders (LPOs) and Uwezo funds for funding public procurement bids (standard deviation of 0.91).

#### **4.5 Tendering Regulation**

In order to establish the influence of tendering regulation on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West

Constituency using various metrics. These included the groups knowledge on the regulations touching on preference reservations, ease of undertaking the documentation required for tendering process, members understanding of the regulations touching in tender evaluation and award criteria, ease of access to information on preferential procurement opportunities, knowledge on regulations touching on submission, receipt and opening of tenders favorable in tender, and the groups members knowledge on the complaint process. Table 4.7 shows results of this examination.

**Table 4.7:** Frequency Distributions for Tendering Regulation

	<b>SA</b>	<b>A</b>	<b>U</b>	<b>D</b>	<b>SD</b>
	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
My groups is knowledgeable on the regulations touching on preference reservations	1.6	7.8	7.8	51.6	31.3
It is easy for my groups to undertake the documentation required for tendering process	0.0	9.4	12.5	25.0	53.1
My groups members understand the regulations touching in tender evaluation and award criteria	0.0	15.6	14.1	48.4	21.9
My groups has easy access to information on preferential procurement opportunities.	0.0	0.0	26.6	45.3	28.1
Our groups is knowledgeable on regulations touching on submission, receipt and opening of tenders favorable in tender	1.6	4.7	3.1	42.2	48.4
The groups members are knowledgeable on the complaint process	0.0	4.7	14.1	31.3	50.0

About half of the respondents (51.6%) tended to disagree that their groups is knowledgeable on the regulations touching on preference reservations, further supported by 31.3% of respondents who tended to strongly disagree on the same. Respondents who were undecided, tended to be agree and strongly agree that their groups is knowledgeable on the regulations touching on preference reservations were 7.8%, 7.8%, and 1.6% respectively. Half of the respondents (50.0%) tended to strongly disagree that their groups members are knowledgeable on the complaint process, while about half of the respondents tended to strongly disagree that it is easy for their groups to undertake the documentation required for tendering process. Additionally, a quarter of the respondents (25.0%) tended to disagree that it is easy for

their groups to undertake the documentation required for tendering process, while 31.3% of respondents tended to disagree that groups members are knowledgeable on the complaint process.

Most of the respondents tended to disagree in response to whether their groups members understand the regulations touching in tender evaluation and award criteria (48.4%) and their groups has easy access to information on preferential procurement opportunities (45.3%). Additionally, 21.9% of the respondents tended to strongly disagree in response to whether their groups members understand the regulations touching in tender evaluation and award criteria same as 28.1% in response to whether their groups has easy access to information on preferential procurement opportunities.

On the other hand, none of the tended to strongly agree (0.0%) in response to whether their groups members understand the regulations touching in tender evaluation and award criteria and whether their groups has easy access to information on preferential procurement opportunities. However, there were 15.4% of the respondents who tended to agree in response to whether their groups members understand the regulations touching in tender evaluation and award criteria though none of the respondents (0.0%) tended to agree that their groups has easy access to information on preferential procurement opportunities.

Almost half of the respondents (48.4%) tended to strongly disagree when asked whether their groups is knowledgeable on regulations touching on submission, receipt, and opening of tenders favorable in tender, while 42.2% tended to disagree. On the other hand, respondents who tended to strongly agree that their groups is knowledgeable on regulations touching on submission, receipt, and opening of tenders favorable in tender were 1.6%, while those who tended to agree were 4.7%, and those who tended to be undecided were 3.1% of the respondents.

**Table 4.8:** Descriptive Statistics for Tendering Regulation

	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std. Dev.</b>
My groups is knowledgeable on the regulations touching on preference reservations	64	1.00	5.00	1.97	0.93
It is easy for my groups to undertake the documentation required for tendering process	64	1.00	4.00	1.78	1.00
My groups members understand the regulations touching in tender evaluation and award criteria	64	1.00	4.00	2.23	0.97
My groups has easy access to information on preferential procurement opportunities.	64	1.00	3.00	1.98	0.75
Our groups is knowledgeable on regulations touching on submission, receipt and opening of tenders favorable in tender	64	1.00	5.00	1.69	0.87
The groups members are knowledgeable on the complaint process	64	1.00	4.00	1.73	0.88
Valid N (listwise)	64				

On average, respondents tended to disagree with all the statements used to examine the influence of tendering regulation on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency since the means were in the interval  $1.5 < \mu < 2.5$ . Thus, on average, respondents tended to disagree that the groups are knowledgeable on the regulations touching on preference reservations (mean of 1.97), it is easy for groups to undertake the documentation required for tendering process (mean of 1.78), and groups have easy access to information on preferential procurement opportunities (mean of 2.23). Additionally, respondents on average tended to disagree that the groups are knowledgeable on regulations touching on submission, receipt and opening of tenders favorable in tender (mean of 1.98), and groups members are knowledgeable on the complaint process (mean of 1.69). Similarly, respondents on average tended to disagree that groups members understand the regulations touching in tender evaluation (mean of 1.73).

There was moderate variation in responses indicating moderate consensus ( $0.5 < \sigma_x < 1$ ) amongst respondents in respect to the groups being knowledgeable on the regulations touching on preference reservations (standard deviation of 0.93), groups members understanding of the regulations touching in tender evaluation and award criteria (standard deviation of 0.97), and the groups having easy access to information on preferential procurement opportunities (standard deviation of 0.75). Similarly, there was moderate consensus amongst respondents that groups are knowledgeable on regulations touching on submission, receipt, and opening of tenders favorable in tender (standard deviation of 0.87), and the group members are knowledgeable on the complaint process (standard deviation of 0.88). However, there was a lack of consensus ( $\sigma_x \geq 1$ ) amongst respondents on the ease of groups to undertake the documentation required for tendering process (standard deviation of 1.00).

#### 4.6 Youth groups Competency

The study sought to determine the influence of youth groups' competency on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency using five metrics. These included the groups' entrepreneurial competency to access preferential public procurement opportunities, technical expertise to evaluate the requirements for preferential public procurement opportunities, legal expertise to know its rights in tendering processes, experience in executing public tender requirements, and operational expertise to execute public tenders awarded to it. Results are as presented in Table 4.9.

**Table 4.9:** Frequency Distributions for Youth groups Competency

	SA (%)	A (%)	U (%)	D (%)	SD (%)
Our groups has entrepreneurial competency to access preferential public procurement opportunities	0.0	12.5	20.3	45.3	21.9
Our groups often has technical expertise to evaluate the requirements for preferential public procurement opportunities	0.0	3.1	29.7	42.2	25.0
My groups has the legal expertise to know its rights in tendering processes	1.6	6.3	4.7	42.2	45.3
My groups has experience in executing public tender requirements	0.0	4.7	14.1	48.4	32.8
My groups has operational expertise to execute public tenders awarded to it	0.0	6.3	15.6	28.1	50.0

Most of the respondents tended to disagree when asked whether their groups has entrepreneurial competency to access preferential public procurement opportunities (45.3%) and whether the groups often has technical expertise to evaluate the requirements for preferential public procurement opportunities (42.2%). Additionally, 21.9% of the respondents tended to strongly disagree in response to whether their groups has entrepreneurial competency to access preferential public procurement opportunities same as 25.0% of respondents in response to whether the groups often has technical expertise to evaluate the requirements for preferential public procurement opportunities. Respondents who tended to be undecided whether their groups has entrepreneurial competency to access preferential public procurement opportunities and whether the groups often has technical expertise to evaluate the requirements for preferential public procurement opportunities were 20.3% and 29.7% respectively.

On the other hand, none of the respondents (0.0%) tended to strongly agree that their groups has entrepreneurial competency to access preferential public procurement opportunities and the groups often has technical expertise to evaluate the requirements for preferential public procurement opportunities. However, 12.5% and 3.1% of the respondents tended to agree that their groups has entrepreneurial competency to access preferential public procurement opportunities and the groups often has technical expertise to evaluate the requirements for preferential public procurement opportunities. Almost half of the respondents (48.4%) tended to disagree that their groups has experience in executing public tender requirements and 32.8% tended to strongly disagree on the same.

Most of the respondents tended to strongly disagree in response to whether their groups has the legal expertise to know its rights in tendering processes (45.3%) and whether their groups has operational expertise to execute public tenders awarded to it (50.0%). Additionally, 42.2% of the respondents tended to disagree in response to whether their groups has the legal expertise to know its rights in tendering processes 28.1% in response to whether their groups has operational expertise to execute public tenders awarded to it. On the other hand, 1.6% and 6.3% of the respondents tended to strongly agree and agree that their groups has the legal expertise to know its rights in tendering processes, respectively. Respondents who tended to be undecided on

whether their groups has the legal expertise to know its rights in tendering processes were 4.7%. While none of the respondents (0.0%) tended to strongly agree that their groups has operational expertise to execute public tenders awarded to it, 6.3% tended to agree and 15.6% were undecided on the same.

On average, respondents tended to disagree with all the statements used to examine the influence of youth groups competency on youth groups competency on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency since all the mean scores were in the interval  $1.5 < \mu < 2.5$ , as in Table 4.10. Additionally there was moderate variation of responses from the mean for all the statements indicating that respondents had moderate consensus ( $0.5 < \sigma_x < 1$ ) on the effect of each of these metrics. In the past, procurement was considered mainly as an operational activity rather than as a key strategic function in the business planning process (Hagén & Zeed, 2005). Jamii Bora in Kenya is offering training to the special groups on how to bid for government contracts.

**Table 4.10:** Descriptive Statistics for Youth groups Competency

	N	Min	Max	Mean	Std. Dev.
Our groups has entrepreneurial competency to access preferential public procurement opportunities	64	1.00	4.00	2.21	0.94
Our groups often has technical expertise to evaluate the requirements for preferential public procurement opportunities	64	1.00	4.00	2.11	0.82
My groups has the legal expertise to know its rights in tendering processes	64	1.00	5.000	1.77	0.92
My groups has experience in executing public tender requirements	64	1.00	4.00	1.91	0.81
My groups has operational expertise to execute public tenders awarded to it	64	1.00	4.00	1.78	0.93
Valid N (listwise)	64				

The respondents on average tended to disagree and have moderate consensus that the groups have entrepreneurial competency to access preferential public procurement

opportunities (mean of 2.21; standard deviation of 0.94) and groups often have technical expertise to evaluate the requirements for preferential public procurement opportunities (mean of 2.11; standard deviation of 0.82). These findings are inconsistent with sentiments by Croom, & Johnston, (2003) who noted that public procurement can help in the development of an effective and efficient SME sector by providing appropriate opportunities for SMEs which are mostly run by special groups to demonstrate their competency and capabilities, including the purchase of goods and services which allows SMEs to develop and demonstrate innovative goods and services.

On average respondents tended to disagree and have moderate consensus that groups have the legal expertise to know their rights in tendering processes (mean of 1.77; standard deviation of 0.92), groups have experience in executing public tender requirements (mean of 1.91; standard deviation of 0.81), and groups have operational expertise to execute public tenders awarded to them (mean of 1.78; standard deviation of 0.93).

#### **4.7 Accessibility of the Preferential Public Procurement Opportunities**

The study sought to examine the various aspects of accessibility of the preferential public procurement opportunities that have been influenced by financial capacity, tendering regulation, and youth groups competency of youth groups in Nakuru West Constituency. These aspects included sensitization on preferential procurement opportunities, technical requirements of the preference public procurement opportunities, timelines allocated for the preferential public procurement opportunities, ease of accessibility of advertisement mode for the opportunities for the public procurement opportunities, and documentation required for bidding in public procurement. Table 4.11 shows results of this examination.



**Table 4.11:** Frequency Distributions for Accessibility of the Preference Public Procurement Opportunities

	<b>SA</b>	<b>A</b>	<b>U</b>	<b>D</b>	<b>SD</b>
		(%)	(%)	(%)	(%)
	(%)				
There is adequate sensitization on preferential procurement opportunities	0.0	12.5	17.2	45.3	25.0
The technical requirements of the preference public procurement opportunities are achievable for the youth groups	0.0	1.6	29.7	42.2	26.6
The timelines allocated for the preferential public procurement opportunities are achievable for the youth groups	1.6	6.3	6.3	39.1	46.9
The advertisement mode for the opportunities for the public procurement opportunities are easily accessible for youth groups	0.0	6.3	12.5	32.8	48.4
The documentation required for bidding in public procurement is achievable for the youth groups	0.0	10.9	20.3	50.0	18.8

Most of the respondents (45.3%) tended to disagree that there is adequate sensitization on preferential procurement opportunities, further supported by a quarter of the respondents (25.0%) who tended to strongly disagree on the same. Similarly, most of the respondents (42.2%) tended to disagree when asked whether the technical requirements of the preference public procurement opportunities are achievable for the youth groups, further supported by 26.6% of the respondents who strongly disagreed on the same. On the other hand, there were no respondents who tended to strongly agree that there is adequate sensitization on preferential procurement opportunities (0.0%) and the technical requirements of the preference public procurement opportunities are achievable for the youth groups (0.0%).

However, 12.5% and 1.6% of the respondents tended to agree that there is adequate sensitization on preferential procurement opportunities and the technical requirements of the preference public procurement opportunities are achievable for the youth groups, respectively. There were respondents who tended to be undecided whether

that there is adequate sensitization on preferential procurement opportunities (17.2%) and whether the technical requirements of the preference public procurement opportunities are achievable for the youth groups (29.7%).

Almost half of the respondents tended to strongly disagree when asked whether the timelines allocated for the preferential public procurement opportunities are achievable for the youth groups (46.9%) and the advertisement mode for the opportunities for the public procurement opportunities are easily accessible for youth groups (48.4%). Additionally, 39.1% of respondents tended disagree when asked whether the timelines allocated for the preferential public procurement opportunities are achievable for the youth groups same as 32.8% of the respondents in respect to whether the advertisement mode for the opportunities for the public procurement opportunities are easily accessible for youth groups. A negligible 1.6% of respondents tended to strongly agree that the timelines allocated for the preferential public procurement opportunities are achievable for the youth groups but none of the respondents (0.0%) tended to strongly agree that the advertisement mode for the opportunities for the public procurement opportunities are easily accessible for youth groups.

Half of the respondents (50.0%) tended to disagree that the documentation required for bidding in public procurement is achievable for the youth groups. Respondents who tended to strongly disagree that the documentation required for bidding in public procurement is achievable for the youth groups were 18.8%. Some respondents tended to be undecided (20.3%) and 10.9% of the respondents tended to agree when asked whether the documentation required for bidding in public procurement is achievable for the youth groups. However, none of the respondents (0.0%) tended to strongly agree that documentation required for bidding in public procurement is achievable for the youth groups.

**Table 4.12:** Descriptive Statistics for Accessibility of the Preference Public Procurement Opportunities

	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std. Dev.</b>
There is adequate sensitization on preferential procurement opportunities	64	1.00	4.00	2.17	0.95
The technical requirements of the preference public procurement opportunities are achievable for the youth groups	64	1.00	4.00	2.06	0.79
The timelines allocated for the preferential public procurement opportunities are achievable for the youth groups	64	1.00	5.00	1.77	0.94
The advertisement mode for the opportunities for the public procurement opportunities are easily accessible for youth groups	64	1.00	4.00	1.77	0.90
The documentation required for bidding in public procurement is achievable for the youth groups	64	1.00	4.00	2.23	0.89
Valid N (listwise)	64				

On average, there was a tendency to disagree ( $1.5 < \mu < 2.5$ ) that all aspects of accessibility of the preferential public procurement opportunities examined in the study have been influenced by financial capacity, tendering regulation, and youth groups competency of youth groups in Nakuru West Constituency. There was also moderate consensus ( $0.5 < \sigma_x < 1$ ) amongst respondents on the influence of financial capacity, tendering regulation, and youth groups competency of youth groups in Nakuru West Constituency on all aspects of accessibility of the preferential public procurement opportunities examined in the study.

There was moderate consensus and respondents on average tended disagree that there is adequate sensitization on preferential procurement opportunities (mean of 2.17; standard deviation of 0.95) and that the technical requirements of the preference public procurement opportunities are achievable for the youth groups (mean of 2.06; standard deviation of 0.79). There was also moderate consensus and on average

respondents to disagree that the timelines allocated for the preferential public procurement opportunities are achievable for the youth groups (mean of 1.77; standard deviation of 0.94), the advertisement mode for the opportunities for the public procurement opportunities are easily accessible for youth groups (mean of 1.77; standard deviation of 0.90), and the documentation required for bidding in public procurement is achievable for the youth groups (mean of 2.23; standard deviation of 0.89).

#### 4.8 Correlation Analysis Results

The association and direction of association of the dependent variable (accessibility of the preferential public procurement opportunities) and each independent variable (financial capacity, tendering regulation, and youth groups' competency) was determined using the Pearson correlation coefficients, which are displayed in Table 4.13. The coefficients were interpreted as weak association for coefficients from 0 and 0.4, fair association for coefficients from 0.5 to 0.7, and strong association for coefficients above 0.7. The direction of association is said to be negative if the sign preceding the coefficient is (-) and positive for a (+) sign

**Table 4.13:** Pearson Correlation Coefficients

		<b>Accessibility of the preferential public procurement opportunities</b>
Financial Capacity	Pearson Correlation	.570**
	Sig. (2-tailed)	.000
	N	64
Tendering Regulation	Pearson Correlation	.727**
	Sig. (2-tailed)	.000
	N	64
Youth groups Competency	Pearson Correlation	.567**
	Sig. (2-tailed)	.000
	N	64

The coefficient for financial capacity and accessibility of the preferential public procurement opportunities was 0.570. This implied that there was a fair positive relationship between financial capacity and accessibility of the preferential public procurement opportunities. The coefficient for tendering regulation and accessibility of the preferential public procurement opportunities was 0.727 which implies that there is a strong positive relationship between the two variables. The coefficient for youth groups competency and accessibility of the preferential public procurement opportunities was 0.567 implying a fair positive relationship between the two variables. Therefore, when financial capacity, tendering regulation and youth groups competency are increased individually, the accessibility of the preferential public procurement opportunities increases. Additionally, when there is a decrease in financial capacity, tendering regulation and youth groups' competency individually, the accessibility of the preferential public procurement opportunities decreases.

#### 4.9 Research Hypotheses Test Results

The study utilized the results of the multiple linear regression to indicate whether the relationships between the dependent variable (accessibility of the preferential public procurement opportunities) and the three independent variables (financial capacity, tendering regulation, youth groups competency) are significant at a 0.05 level of significance. There was positive correlation between the dependent and independent variables as the multiple correlation coefficient (R) was 0.765 as shown in Table 4.14.

**Table 4.14:** Model Summary and ANOVA of the Multiple Linear Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.765 <sup>a</sup>	.586	.565	.31709	
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	8.527	3	2.842	28.270	.000 <sup>b</sup>
1 Residual	6.033	60	.101		
Total	14.560	63			

a. Predictors: (Constant), Financial Capacity, Tendering Regulation, Youth groups Competency

b. Dependent Variable: Accessibility of the Preferential Public Procurement Opportunities

The amount of variance in the dependent variable due to the independent variables was determined using the coefficient of determination ( $R^2$ ). The value  $R^2$  was 0.586 which implies that 58.6% of the variance in accessibility of the preferential public procurement opportunities can be attributed to the financial capacity, tendering regulation, and youth groups competency of youth groups in Nakuru West Constituency.

The viability of the multiple linear regression model with the dependent variable (accessibility of the preferential public procurement opportunities) and the three independent variables (financial capacity, tendering regulation, youth groups competency) was determined using the Analysis of Variance (ANOVA). The F statistic for this model was found to be statistically significant at  $p < 0.05$  level of significance since the p-value for the F-test was 0.000 as shown in Table 4.10. The regression model was thus deemed viable.

The regression coefficients were 0.414 for financial capacity, 0.448 for tendering regulation, and 0.027 for youth groups competency as shown in Table 4.15.

**Table 4.15:** Coefficients<sup>a</sup> of the Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.372	.415		.896	.374
1 Financial Capacity	.414	.152	.372	2.717	.009
1 Tendering Regulation	.448	.155	.420	2.896	.005
Youth groups Competency	.027	.134	.024	.201	.842

a. Dependent Variable: Accessibility of the Preferential Public Procurement Opportunities

The resulting regression model was thus;

$$\text{Accessibility of the Preferential Public Procurement Opportunities} = 0.372 + 0.414 (\text{Financial Capacity}) + 0.448 (\text{Tendering Regulation}) + 0.027 (\text{Youth groups Competency})$$

The coefficient Table 4.15 shows whether the independent variables have statistical significant influence or not (at 0.05 level of significance) in determining accessibility of the preferential public procurement opportunities (dependent variable). This guided the study in making a decision of whether to reject or accept the hypotheses **H<sub>01</sub>**, **H<sub>02</sub>**, and **H<sub>03</sub>** shown below;

**H<sub>01</sub>**: Financial capacity does not have a significant influence on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency.

**H<sub>02</sub>**: Tendering regulation does not have a significant influence on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency.

**H<sub>03</sub>**: Youth groups competency does not have a significant influence on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency.

The p-value corresponding to financial capacity was 0.009 which was less than 0.05 thus the decision to reject the null hypothesis **H<sub>01</sub>** was made. Therefore, the study found that financial capacity has a significant influence on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency.

A p-value of 0.005 corresponding to tendering regulation informed the decision of the study to reject the null hypothesis **H<sub>02</sub>** since it was less than 0.05. Thus, tendering regulation was found to have a significant influence on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency.

The p-value for youth groups competency was 0.842 ( $p > 0.05$ ) which led to the decision to accept the null hypothesis **H<sub>03</sub>**. The study found that youth groups competency does not have a significant influence on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency.

#### **4.10 Discussion of Findings**

The average perception amongst respondents was that youth groups in Nakuru West Constituency, Kenya do not always have adequate financial capacity to bid for advertised tender and sufficient financial skills to give practical price quotation for

tenders. The Kenyan government has had an uphill task for youth and women groups to play in the big-ticket leagues of public procurement as they may not have the financial capacity (Owino, 2013). Groups therefore need to make arrangements for necessary funding since procurement begins with deciding whether there is a need for the particular goods or services and ensuring that the purchaser has the legal powers to undertake the transaction, obtaining any relevant approvals within the government hierarchy and arranging the necessary funding (Linarelli & Wallace (2000). Similarly, the study found that groups are unaware of the use of Local Purchasing Orders (LPOs) and Uwezo funds for funding public procurement bids. This is in spite of Local Purchase Order (LPO) financing and invoice discounting being offered by various financial institutions as well as the Uwezo Fund and the Youth And Women Enterprise Fund (Polo, 2008).

The study found that respondents that the groups are not knowledgeable on the regulations touching on preference reservations, on regulations touching on submission, receipt and opening of tenders favorable in tender, the complaint process, and regulations touching on tender evaluation. Knowledge on the tendering regulation aspects is of great importance in the accessibility of the preferential public procurement opportunities since it builds a culture of compliance to procurement regulations by all and sundry (Gunningham and Kagan, 2005). In countries with strong bidding mechanisms, bidders are allowed to participate in all procurement process and can lodge review complaint if they deem the procurement process was not in consonance with the regulations.

Undertaking the documentation required for tendering process and access to information on preferential procurement opportunities is not easy for youth groups in Nakuru West Constituency. Such bidder participative mechanisms are a strong force for procurement officials to abide by the regulations (Hui et al, 2011). The threat of legal sanctions is essential to regulatory compliance since enforcement action has cumulative effect on the consciousness of regulated companies and it reminds companies that circumvention of law will never go unpunished (Gunningham and Kagan, 2005).



On average, respondents tended to disagree and have moderately varied responses that the youth groups competency aspects examined in the study influence accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency. Jamii Bora in Kenya is offering training to the special groups on how to bid for government contracts. In the past, procurement was considered mainly as an operational activity rather than as a key strategic function in the business planning process (Hagén & Zeed, 2005).

Despite trainings being offered to the special groups on how to bid for government contracts by institutions like Jamii Bora in Kenya, youth groups in Nakuru West Constituency do not have entrepreneurial competency to access preferential public procurement opportunities as well as technical expertise to evaluate the requirements for preferential public procurement opportunities. These findings are inconsistent with sentiments by Croom, & Johnston, (2003) who noted that public procurement can help in the development of an effective and efficient SME sector by providing appropriate opportunities for SMEs which are mostly run by special groups to demonstrate their competency and capabilities, including the purchase of goods and services which allows SMEs to develop and demonstrate innovative goods and services.

The study found that on average, there is inadequate sensitization on preferential procurement opportunities and the advertisement mode for the opportunities for the public procurement opportunities is not easily accessible for youth groups. Additionally, the study found that that the technical requirements of the preference public procurement opportunities, the timelines allocated for the preferential public procurement opportunities, and the documentation required for bidding in public procurement are not achievable for the youth groups. The financial capacity, tendering regulation, and youth groups competency of youth groups in Nakuru West Constituency were found to account for 58.6% ( $R^2 = 0.586$ ) of the variance in accessibility of the preferential public procurement opportunities. This indicates that other factors not in the regression model used for the study account for 41.4% of the variance inaccessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMEDATIONS**

#### **5.1 Introduction**

This chapter gives a summary of the results and findings of the study and gives the conclusions and recommendations from the results. The study examined the factors that influence the accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency, specifically financial capacity, tendering regulation, and youth groups competency. A sample size of 74 respondents who were officials of 20 active youth groups in Nakuru West Constituency was utilized. Data analysis was based on 64 questionnaires which gave a response rate of 86.5%.

#### **5.2 Summary of Findings**

The summary of findings of the study is as follows;

##### **5.2.1 Financial Capacity and Accessibility of Preferential Public Procurement Opportunities**

On average respondents tended to disagree that their groups always have adequate financial capacity to bid for advertised tender and sufficient financial skills to give practical price quotation for tenders. Additionally, respondents on average tended to disagree that the terms of credit offered by financial institutions to access government procurement opportunities are affordable to their youth groups and that they were able to get access to funds from financial institutions in order to bid for advertised tenders. Finally, respondents on average tended to disagree that their groups was aware of the use of Local Purchasing Orders (LPOs) and Uwezo funds for funding public procurement.

There was a high variation in responses indicating a diversity of views amongst respondents in respect to the groups always having sufficient financial skills to give practical price quotation for tenders. However, responses were moderately varied in respect to adequacy of financial capacity to bid for advertised tender, affordability of terms of credit offered by financial institutions to access government procurement opportunities, accessibility of funds from financial institutions in order to bid for

advertised tenders, and groups awareness of the use of Local Purchasing Orders (LPOs) and Uwezo funds for funding public procurement bids.

The adequacy of financial capacity to bid for advertised tender and groups' awareness of the use of Local Purchasing Orders (LPOs) and Uwezo funds for funding public procurement bids each had respondents who strongly agreed that they influenced the accessibility of preferential public procurement opportunities among youth groups in Nakuru West Constituency.

### **5.2.2 Tendering Regulation and Accessibility of Preferential Public Procurement Opportunities**

On average, respondents tended to disagree with all the statements used to examine the influence of tendering regulation on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency. Further, the frequency distributions indicate that above three quarters of respondents opposed the various statements used to examine the influence of tendering regulation on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency. On average, respondents tended to disagree and have moderate consensus that the groups are knowledgeable on the regulations touching on preference reservations, groups have easy access to information on preferential procurement opportunities, and groups are knowledgeable on regulations touching on submission, receipt, and opening of tenders favorable in tender.

Similarly, there was moderate consensus and respondents on average tended to disagree that groups members are knowledgeable on the complaint process, and groups members understand the regulations touching in tender evaluation. However, there was a wide range of views from respondents though on average they tended to disagree that it is easy for the groups to undertake the documentation required for tendering process. Correlation analysis indicated that tendering regulation and accessibility of the preferential public procurement opportunities have a strong positive relationship. This means that increasing tendering regulation on its own increases accessibility of the preferential public procurement opportunities.

### **5.2.3 Youth groups Competency and Accessibility of Preferential Public Procurement Opportunities**

The respondents had fairly similar viewpoints and on average tended to disagree that the groups have entrepreneurial competency to access preferential public procurement opportunities among youth groups in Nakuru West Constituency and groups often have technical expertise to evaluate the requirements for preferential public procurement opportunities. Additionally, there was moderate variation of responses and respondents on average tended to disagree that youth groups in Nakuru West Constituency have the legal expertise to know their rights in tendering processes, have experience in executing public tender requirements, and have operational expertise to execute public tenders awarded to them.

No respondents tended to strongly agree that their groups has entrepreneurial competency to access preferential public procurement opportunities and the groups often has technical expertise to evaluate the requirements for preferential public procurement opportunities. The youth groups' competencies were found to increase accessibility of the preferential public procurement opportunities on their own since correlation analysis indicated the existence of a fair positive relationship between the two variables.

### **5.2.4 Accessibility of the Preferential Public Procurement Opportunities**

There was moderate consensus and respondents on average tended disagree that there is adequate sensitization on preferential procurement opportunities among youth groups in Nakuru West Constituency and that the technical requirements of the preference public procurement opportunities are achievable for the youth groups. There was a fair diversity of views and on average respondents to disagree that the timelines allocated for the preferential public procurement opportunities are achievable for the youth groups, the advertisement mode for the opportunities for the public procurement opportunities are easily accessible for youth groups, and the documentation required for bidding in public procurement is achievable for the youth groups.

Almost half of the respondents were in strong disagreement with the statement the timelines allocated for the preferential public procurement opportunities are

achievable for the youth groups and the advertisement mode for the opportunities for the public procurement opportunities is easily accessible for youth groups.

### **5.3 Conclusions**

The study concluded that financial capacity has a statistically significant influence on the accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency. Among the financial capacity metrics, it was concluded that affordability of terms of credit offered by financial institutions to access government procurement opportunities has greater influence on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency due to a higher mean.

The study further concluded that tendering regulation has a statistically significant influence on the accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency. Understanding of the regulations touching tender evaluation and award criteria among groups' members was concluded to have greater influence on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency due to a higher mean and low standard deviation.

In the context of youth groups' competency, the study concluded that although they have positive influence on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency on their own, the influence is not statistically significant. It was also a conclusion of the study that the groups' entrepreneurial competency to access preferential public procurement opportunities have greater influence on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency than other youth groups competency metrics used in the study.

### **5.4 Recommendations**

The study recommends a deeper look into the influence of the various metrics used to examine the influence of financial capacity, tendering regulation, and youth groups competency on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency. This is because the highest mean scores had respondents on average disagreeing on the influence of the metrics on

accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency. The mean scores of the other metrics had respondents on average tending to disagree or strongly disagree on the influence of the metrics on accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency.

It is a recommendation of this study that penalties should be placed on public procurement officials who do not comply with the Public Procurement and Disposal (Preference and Reservations) Regulations 2011 to ensure that there is greater levels of compliance with the law.

Various stakeholders should facilitate seminars and trainings that will ensure the groups are knowledgeable on regulations touching on submission, receipt and opening of tenders. This will ensure that the groups register their enterprises with the relevant government bodies and that there is open and fair competition. Finally, the study recommends that students and other parties in academia use the findings of this study as a knowledge base in the subject area and as an aid in the literature review of future studies.

### **5.5 Suggestions for Further Studies**

Further studies should be carried out in other constituencies in Kenya to determine factors influencing accessibility of the preferential public procurement opportunities among youth groups.

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## APPENDICES

### APPENDIX 1: LETTER OF INTRODUCTION

**Dear respondent,**

I am a student of Jomo Kenyatta University of Agriculture and Technology, pursuing a master of science in procurement and contract management. I am currently carrying out a research on: *Factors influencing accessibility of the preferential public procurement opportunities among youth groups in Nakuru West Constituency*. The purpose of this questionnaire is to gather information from respondent regarding the topic. You have been selected as one of the respondent who will assist the researcher to acquire the necessary data pertaining to the study. You are hereby assured that the information you give will be treated with a lot of confidentiality and strictly used for academics purpose only.

Thank you in advance for your cooperation.

Yours faithfully,

**CYRUS BABU NDEGE**

## APPENDIX II: RESEARCH QUESTIONNAIRE

### SECTION A. RESPONDENTS DETAILS

1. What is your gender?

Male ( )

Female ( )

2. What is your age category?

a) 20-30 yrs ( )                      c) 41-50yrs ( )

b) 31-40 yrs ( )                      d) 51 Years and above ( )

3. Highest education qualification attained

a) Secondary ( )

b) College ( )

c) University ( )

4. How long have your groups been in existence?

Below 1 Year ( )

2-5 Years ( )

6-10 Years ( )

Above 10 Years ( )

### SECTION B. SPECIFIC OBJECTIVES

In a scale of 1-5 where indicate the level of agreement regarding the following statement

Key

5= Strongly Agree

4= Agree

3= Undecided

2= Disagree

1= Strongly Disagreed

### SECTION C: FINANCIAL CAPACITY

<b>Statements on Financial Capacity</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
My groups always have adequate financial capacity to bid for advertised tenders					
My groups has sufficient financial skills to give practical price quotation for tenders					
Terms of credit offered by financial institutions to access government procurement opportunities is affordable to our youth groups					
My groups is able to get access to funds from financial institutions in order to bid for advertised tenders					
My groups is aware of the use of Local Purchasing Orders (LPOs) &Uwezo funds for funding public procurement bids					

### SECTION D: TENDERINGREGULATION

<b>Statements on Tendering Regulation</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
My groups is knowledgeable on the regulations touching on preference reservations					
It is easy for my groups to undertake the documentation required for tendering process					
My groups members understand the regulations touching in tender evaluation and award criteria					

My groups has easy access to information on preferential procurement opportunities.					
Our groups is knowledgeable on regulations touching on submission, receipt and opening of tenders favorable in tender					
The groups members are knowledgeable on the complaint process					

### **SECTION E: YOUTH GROUPS COMPETENCY**

<b>Statements on Youth groups Competency</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
Our groups has entrepreneurial competency to access preferential public procurement opportunities					
Our groups often has technical expertise to evaluate the requirements for preferential public procurement opportunities					
My groups has the legal expertise to know its rights in tendering processes					
My groups has experience in executing public tender requirements					
My groups has operational expertise to execute public tenders awarded to it					

**SECTION F: ACCESSIBILITY OF THE PREFERENCE PUBLIC  
PROCUREMENT OPPORTUNITIES**

<b>Statements on AGPO</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
There is adequate sensitization on preferential procurement opportunities					
The technical requirements of the preference public procurement opportunities are achievable for the youth groups					
The timelines allocated for the preferential public procurement opportunities are achievable for the youth groups					
The advertisement mode for the opportunities for the public procurement opportunities are easily accessible for youth groups					
The documentation required for bidding in public procurement is achievable for the youth groups					