

ABSTRACT

There have been numerous complaints by the public, professionals, donors and other stakeholder's about the performance of Public Procuring Entities (PPEs). The opinion of many is that performance of PPEs is way below the stakeholders' expectations. In addition most studies have focused on establishing factors affecting procurement in the private sector which may not necessarily be used as a reference in the public sector due to its uniqueness. It was therefore vital to systematically establish the factors that affected the performance of PPEs in Kenya with a focus at the Ministry of Finance (MOF) through a research study. Therefore, the core objective of the study was to find out factors that affect the performance of PPEs in Kenya with a focus at the Ministry of Finance (MOF). The specific objectives of the research study were to establish how tendering procedures, ethics in procurement, staffing, training and development of supply chain management personnel affect performance of PPEs and specifically at the Ministry of Finance.

The study focused on the staff of Ministry of Finance Head Offices in Nairobi and included Administration, Procurement, Accounts and Finance Divisions. The Divisions that were selected were considered to work closely with procurement towards the achievement of Ministry's objectives. The researcher adapted a descriptive research design and selected 40 respondents out of total population of 166 using Simple Random Sampling Technique (SRST). Data was collected through the administering of questionnaire that was both open and closed. The tool was adopted because of its simplicity in the administration, scoring of items and analysis. The items in the questionnaires were developed on the basis of the objectives (or research questions) of the study. Quantitative and qualitative data analysis techniques were used and the findings presented through charts, tables and graphs for easy understanding of the findings.

The study established that tendering procedures affect performance of Public Procuring entities because most of the respondents (83%) observed that the procedures took between three to six months which they considered too long resulting to delays in procurement hence negatively affecting performance. The respondents however agreed that they considered the procedures necessary and surprisingly they rated the tendering procedures as averagely efficient which is a strong pointer that despite speculations by many that they are inefficient they are not all that inefficient. Ethics in procurement was also found to affect performance of Public Procuring Entities. Respondents attested the fact that there are stipulated ethics in procurement (98%) it is only that they are not complied with, compliance rate is only 26%. Most of the respondents (67%) confirmed that adherence to ethics in procurement could positively contribute to improved performance in the PPEs.

Understaffing of supply chain management personnel was also found to affect negatively the performance of Public Procuring entities. Most of the respondents (75%) considered the supply chain management personnel inadequate and it was difficult to manage the workload which was felt to be too much (52%). It was also established that inadequacy of supply chain management personnel was not only in numbers but also in the area of upgrading skills and competences to match the dynamic procurement environment. From the research most of the respondents (62%) had not gone for training in the last two financial years and the lucky ones mostly went for one week training (60%). To underscore the importance of training and development most of the respondents (80%) who had gone for training felt the training was helpful.

From the study findings the researcher recommends that tendering procedures needs to be reviewed with a view eliminating non-value adding procedures which only lengthen the procurement cycle thus affecting the delivery of goods and services. Further, procurement planning should be embraced to ensure timely procurement of goods and services hence

enhancing the effectiveness and effectiveness of Public Procurement entities. Secondly, Public Procuring Entities need to enforce compliance of code of ethics in procurement. The many malpractices dogging procurement are as a result of failure to adhere to the stipulated code of ethics. Since ethics just like culture is ingrained in the mind PPEs need to come up with an innovative way of embedding ethics to its workforce. Thirdly, the department of Public Procurement which is tasked with the responsibility of staffing supply chain management personnel in the central government should lobby for allocation of funds to facilitate recruitment of additional personnel to bridge the deficits and other PPEs should also strive to do the same. Fourthly, Public Procuring Entities should invest in adequately and sufficiently training and developing of their personnel to deliver to the expectations of the stakeholders. Lastly, the study suggests that there is need for a comparative study between factors affecting procurement in Public and Private sectors and the extent to which each of the factors affect procurement in each of the sectors and document common factors.