



**ASSESSMENT OF IMPLEMENTATION OF PUBLIC  
PROCUREMENT AND DISPOSAL LAW ON PROCUREMENT  
PROCESS AT MACHAKOS UNIVERSITY,  
MACHAKOS COUNTY, KENYA**

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**Abstract:**

For efficacy in public funds utilisation, the procurement process needs to be regulated, hence the enactment of Public Procurement Regulations of 2015. Nevertheless, of late billions of tax payer's money in Kenya have been lost by Public institutions through cancellation of contracts, uncompleted projects and services not rendered. This study sought to assess the implementation of public procurement and disposal law on procurement process at Machakos University, Kenya. The study objectives were: to determine the Machakos University procurement staffs' awareness on procurement regulations, professionalism on procurement process, ethical practices on procurement process and the level of stakeholders' involvement on procurement process. The study sought to fill the lacuna in the Kenya procurement literature as to whether ratification and application of the PPAD Act, 2015 has had influence in the procurement practices in the institutes of higher learning. Theories relevant to this study were the Agency theory and the Institutional theory. The study targeted a population of 86 procurement staff and members of consumer departments. A sample of 50 participants was selected using both purposive and simple random sampling techniques. Data collection tools were questionnaires and interview schedules. The study used mixed methods and employed the concurrent triangulation research design which enabled the researcher to use more than one design to cross-validate, confirm and corroborate findings. Data analysis was performed using both descriptive and inferential statistics. The study concluded that availability of procurement manual, staff in service training and ICT integration to the procurement process had a statistically significant influence on compliance to the principles and protocols governing public procurement process. The study recommends further research on the inherent nature of poor concept application due poor knowledge.

**Keywords:** public procurement, disposal law, procurement process

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## 1. Introduction

The unique political, economic and socio-cultural, environment in different nations of the world present different challenges to the public procurement practitioners in those countries. Ancient history casts various forms of pictures of procurement process as far as 3,000 BC when the Egyptians used scribes to manage the supply of materials and labour for their great pyramid projects (Nolan, 2016). There being no designated procurement function though, proper supervision of materials helped in putting up the pyramids. By the late 1980s, traditional ideology and methods on procurement processes began to change as well as the demands for the same.

Procurement challenges continue to affect all nations of the world – whether developed or developing. In Malaysia, nonconformity to procurement laws by the purchasing professionals was blamed on procurement executives for malpractice and larceny (Hui et al., 2011). Hui, while examining procurement concerns in the same country found out that public procurement practices were tarnished by impervious deals which deliberately defrauded the state. However, Lisa (2010) while citing Snell (2004) stated that compliance in an organisational structure had been attributed to conformity or consistency to protocols and legislation. In Botswana, the Local Authority Procurement and Asset Disposal (LAPAD) Act established in 2008 aimed at: augmenting efficiency, accountability and transparency, enhancing staff development and creating strong leadership in public procurement.

Public procurement systems in Kenya were reviewed in 1999 by the Country Procurement Assessment Committee (CPAC) and found out that: the public sector did not have a uniform procurement system, officers who contravened the rules in the Supplies Manual, were never punished since other than the internal disciplinary action, public procurement systems lacked sanctions or penalties against such individuals.

Before the enactment of PPAD Act (2015), public officials took advantage of the situation and awarded themselves and their cronies contracts to the detriment of the state since there was no elaborate and stringent public procurement policy to guide the procurement process. This practice promoted decadence, leading to waste of public financial resources. It is worthy to note that Kenya, being one of the developing countries was working towards economic growth and independence. Hence, issues like public procurement, award of contracts and financial prudence were very crucial. The inauguration of PPAD Act, (2015), the agency charged with the obligation to provide the framework within which granting of contracts in government circles could be just, honest and justifiable was prompted by the manipulation of procurement processes and lack of due process in public procurement in Kenya. Ezekwesili (2004) wrote that before 2015 public procurement processes in Kenya was fraught with sleaze, mismanagement of financial resources and nepotism practices in the award of contracts.

Procurement law and other regulations provided by acts of parliament regulate the procurement process. The law further guides the process of signing contract agreements between public organisations and suppliers of commodities, works and

services by setting standards and procedures, controls, intelligibility and accountability processes.

By mitigating all malpractices, the process is expected to uphold integrity; taking to cognisance foreknowledge of the decision taken, hence calling for public organisations to peg precise information resolutions, ensuring that all expectations of the law are met. Moreover, the process should be assuring, meeting the prospects and needs of the intended population. Execution of this responsibility obligates the procurement officials to demonstrate a high degree of professionalism and competency.

Professionals working in organisations require an array of adaptable skills due to the dynamic nature of those organisations, hence the need for staff to be trained and inducted regularly. Staff training is a premeditated action by an organisation to impart new skills to staff for better and more profitable ways of performing the procurement function (Armstrong, 2009). In addition to training, seminar sessions and workshops are very essential to induct knowledge of the procurement process. Armstrong (2009) goes on to say, many Africa's corporate council members, more especially for public organisations, are ignorant of their duties and thus prone to manipulation by the executives – chairpersons and prime shareholders. De Boer and Telgen (1998), as quoted by Gelderman et al. (2006), assert that the level of staff awareness on the guidelines governing procurement heavily contributes to the main cause of conformity or non-conformity to procurement guidelines. De Boer and Telgen (1998) goes on to say that lack of acquaintance with the public procurement guidelines by many municipalities in Netherlands led to non-conformity to these guidelines by the said bodies during the early days of their inception.

This position was confirmed by Gelderman et al. (2006), in a review on adherence to EU procurement ordinances. Moreover, the people who possess the knowledge of the law requirements, know it so well to an extent that they often beat the loopholes to their advantage. Additionally, chances for dubious actions such as tendering and discriminate supplier selection - progressing to poor compliance levels, may be provided for by the ambiguity in the public procurement procedures.

Francis, Donald and Wilson (2018) carried out a study on Examining procurement practices of public universities in Ghana and established that although some of the respondents displayed an understanding of the existence of the Procurement regulations, most of them were unaware of its existence. The study further noted that those who expressed knowledge of the act, lacked an in-depth understanding in it. Local studies show a similar trend, for example, Onyinkwa (2013) in his study on secondary schools in Nyamache District, Kenya found out that although most of the public schools had guidelines, from the Ministry of Education to support the procurement processes, tendering committees consisted mainly of members who lacked or had little understanding (awareness) of rules and regulations governing the procurement process. This greatly contributed to non-conformity to the public procurement procedures in public secondary schools. In yet another study by Apiyo and Mburu (2014), it was found out that competent staff perform well in procurement planning. Their findings concurred

with Wasiam (2009), who found out that for full utilisation of the personnel potential by an organisation, the personnel must be equipped with extra skills along with task specific proficiencies. Inference shows that staff proficiency has a consequential bearing to planning for procurement.

Therefore, in addition to engaging staffs with high understanding of procurement process, an organisation should provide more training to their staff.

Around the globe, researchers have extensively probed the issue of public procurement regulatory laws. However, most of them dealt with it in the lower levels of education such as colleges and secondary schools. In this study, extensive empirical inquiries were conducted which brought out several knowledge and research gaps. For example, in their study, Francis, Donald and Wilson (2018), while concurring with Onyinkwa (2013), that tendering committees consisted of members, majority of whom lacked or had little understanding (awareness) of rules and regulations governing the procurement process, failed to enunciate the cause for lack of awareness on procurement officials. Few studies found on the subject and in relation to procurement process in public universities elsewhere in the world include Francis et al. (2018) at UPSA, Ghana which focused on factors affecting compliance issue. The same can be said of (Osoro, 2013) on procurement challenges at Egerton University and Onchweri (2015) who investigated the influence of the procurement laws on procurement processes in Secondary Schools. Though the above-mentioned studies tried to address the compliance issue, they completely failed to link the observed behaviours to success or lack of it as a result of the implementation of procurement laws.

While the enactment of PPAD (2015) aimed at fostering parity, intelligibility and lack of bias in sourcing goods and services in public organisations, studies continued to show that there were still losses of public monies being attributable to public procurement. The available literature did reveal a lacuna in the earlier researches on the success of the execution of the procurement law especially in the public institutions of higher learning. The studies reviewed showed limitations in terms of scale, geographical location of study, respondents and the extent of sampling, thus making their findings impossible to generalize to every public institution around the world.

Apart from the point that efficient public procurement processes warrant accountability and limpidity in the issuance of contracts in government circles, it also spurs development. The success or failure of public investments is largely determined by the value, appropriateness, suitability and affordability of the goods, services and amenities procured.

### **1.1 Statement of the Problem**

The enactment of PPAD Act (2015) was meant to foster transparency, fairness, and bias in procurement processes at public institutions. Reviews by PPOA at the recently established universities in Kenya, like Machakos University on procurement processes, established that there were non-conformities by the entities to both specific and broad

areas of procurement. The conclusion was that compliance by universities was low in most parts of the act and regulations (PPOA, 2015).

Most of the previous studies focused mainly on factors which impel conformity and non-conformity to public procurement procedures but did not assess the procurement law and regulations on procurement process in public universities (Dorothy, 2010).

By carefully interrogating the procurement officers/stakeholders on their level of awareness on the PPAD Act 2015, the study investigated the implementation of public procurement laws and the compliance level of the same at Machakos University as a public entity.

## **1.2 Research Objective**

To determine the extent to which Machakos University procurement staffs' awareness on procurement regulations, influence the procurement process at Machakos University.

## **2. Research Methodology**

The study made use of mixed methods research involving both quantitative and qualitative data collection and analysis. This method enabled the researcher to draw from the strengths as well as reduce the vulnerability of both the quantitative and qualitative research (Johnson & Onwuegbuzie, 2004). It also enabled the researcher not only to collect and analyse numerical data, which is typical for quantitative research but also narrative data which is the standard for qualitative research (Creswell, 2003). However, the researcher employed inferential statistics to quantify the results, which is normal for quantitative research studies. The aim was to determine, corroborate, or show relationships and come up with generalizations that contributes to the stated theory (Leedy & Ormrod, 2001). Consequently, in this study, both descriptive and exploratory designs were used: descriptive design for the collection of quantitative data and exploratory design for the collection of qualitative data. Concurrent triangulation also enabled the researcher to collect both qualitative and quantitative data concurrently (Creswell, 2003).

### **2.1 Target Population**

The study targeted a population of 86 individuals composed of one principal (chief) procurement officer, one deputy procurement officer, two assistant Procurement Officers, 20 twenty (20) chairmen of academic departments and 12 chairmen of non-academic departments and 50 fifty (50) Procurement & Disbursement/Disposal of obsolete goods, junior officers (see Table 1). These were the officers involved in spearheading and implementing the PPAD Act, (2015) at the university, and hence, were best placed to give the necessary information required for the study.

The sample was made up of Chief procurement officer, Deputy Procurement officer, two assistant procurement officers, sixteen heads of departments – both academic and non-academic and thirty lower cadre Procurement & disbursement/disposal officers.

**Table 1:** Sample size of the study

Categories	Sample Size	Sampling Technique
Chief procurement officer	1	Purposive
Deputy procurement officer	1	Purposive
Assistant procurement officer	2	Purposive
Chairmen of departments-academic	6	Purposive
Chairmen of departments-non academic	10	Random
Procurement & disbursement/disposal personnel	30	Random
<b>Total</b>	<b>50</b>	

**Source:** Researcher (2019).

### 3. Research Findings and Discussions

Based on the respondents' category, all 16 Chairmen of Departments sampled (100%), three Chief Procurement Officers (75%) and 27 procurement staff (90%) returned their dully-filled questionnaires. Thus, of the 50 participants intended to participate in this study, 46 responded, making an overall response rate of 92%. This response rate is well over 70% and is regarded as appropriate for analysis and generalization of results. According to Mugenda (2008), an instrument return rate of 50% is considered satisfactory, 60% return rate good, while 70% is very good. For the purposes of the current study, the return rate was therefore appropriate, as all the samples targeted were accounted for. Consequently, the findings could not be attributed to chance but as true reflection of the level of implementation of public procurement and disposal law on procurement process at Machakos University. The response rate was summarized in Table 2.

It was noted that among the respondents from the procurement and disposal of assets, staff, 10 (37.04%) scored less than 50% on their level of regulation and procedure awareness on procurement process. Among those who scored below 50% constituted 70% male staff and about two thirds of them aged below 25 years. They had five years' experience or less on average and 80% were first degree holders. Table 3 summarizes the item response with regard to the procedure and regulation awareness on procurement process.

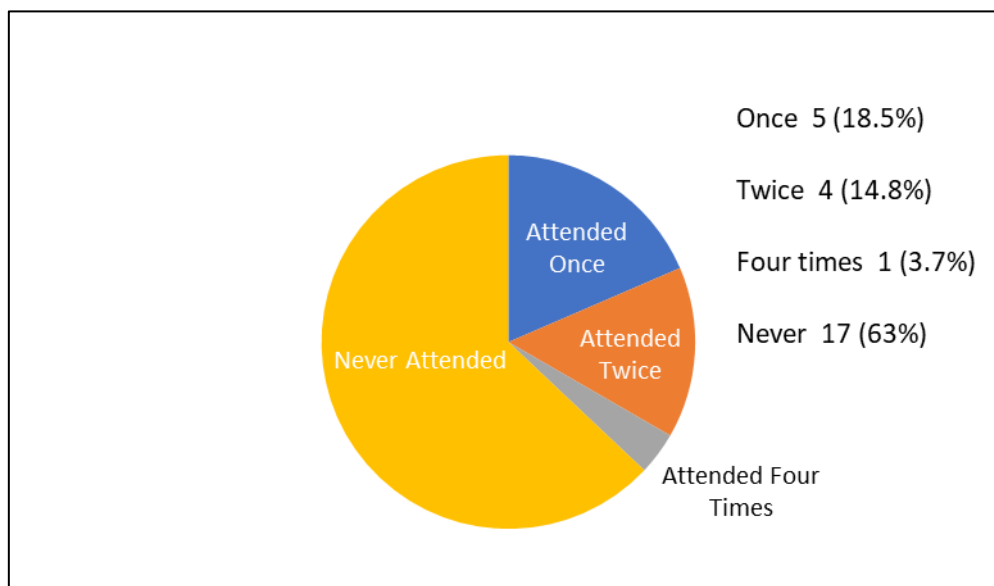
**Table 2:** Item response on regulations and procedure awareness on procurement process

Item	Frequency	%
I am aware of the PPAD Act, 2015	2	07.40
Procurement manual is readily available to all procurement staff	10	37.04
Procurement process strictly follow the PPAD guidelines	10	37.04
Communication to all parties is adequately and elaborately done	11	40.74
Suppliers meet the University's quality specifications on products	13	48.15

**Source:** Field data (2019).

The table gives the frequency and the percentage of the respondents who did not agree with the proposed statements, hence in a 5-point Likert scale where: 5 = strongly agree; 4 = agree; 3 = not sure; 2 = disagree; 1= strongly disagree, the cited respondents scored less than 3 on average.

By the time of this study 10 (37.04%) of the university procurement staff had at least attended a procurement training/workshop session after employment by the Machakos University. Figure 1 gives the summary of the frequency of attendance.



**Figure 1:** Training/Workshop attendance

Therefore, majority totalling 17 (63%) of the university procurement staff had never attended any in service training or workshop pertaining their profession.

A handful numbering 5 (18.5%) had attended in-service training only once during their employment time at the university. These findings show a similarity to the past conclusions by De Boer and Telgen (1998), who found out that lack of acquaintance with the public procurement guidelines by many municipalities in Netherlands led to non-conformity to these guidelines by the said bodies, during the early days of their inception. The same position was confirmed by Gelderman et al. (2006), in a review on adherence to the EU procurement ordinances. Moreover, the people who possess the knowledge of the law requirements know it so well to an extent that they often beat the loopholes to their advantage. Parallel observations were made by Onyinkwa (2013), on secondary schools in Nyamache, District Kenya, who found out that although most of the public schools had guidelines, from the education ministry to support the procurement processes, tendering committee consisted mainly of members who did not have any understanding or were faintly aware of the guidelines and procedures in the procurement process.

The Chi-Square test statistic, used to assess the significance of procurement regulation principle application and procurement process, was found to be appropriate since the study design had a categorised data. This was done by testing the independence

of the paired observations (i.e. the group with a low rate of procurement process application) on the independent variables expressed in a contingency table.

The value of the test-statistic is:

$$\chi^2 = \sum_{i=1}^n \frac{(O_i - E_i)^2}{E_i}$$

Where:

$\chi^2$  = Pearson's cumulative test statistic, which asymptotically approaches a  $\chi^2$  distribution

$O_i$ = an observed frequency;

$E_i$ = an expected (theoretical) frequency, asserted by the null hypothesis;

$n$ = the number of cells in the table.

A decision is made after comparing the value of the test statistic to the critical value of  $\chi^2_{\alpha}$  with degree of freedom = (r - 1) (c - 1) where "r" and "c" are the number of rows and columns in a contingency table. The null hypothesis is not accepted if the calculated chi-square value is greater than the tabulated chi-square value i.e.  $\chi^2_{\alpha} > \chi^2_t$  otherwise ( $\chi^2_{\alpha} < \chi^2_t$ ) accept  $H_o$  at the stated level of significance (5%) for this study.

**Table 3:** Variable in the equation

Variable	B	S.E.	Wald	df	Sig.	Exp (B)	95% C.I for EXP(B)	
							Lower	Upper
Regulatory	2.773	1.209	5.256	1	0.022	0.063	0.006	0.669
Constant	2.773	1.031	7.235	1	0.007	16.000		

**Source:** Field data (2019).

$$y = 2.773 + 2.773 (\text{Regulatory})$$

P-value 0.022<0.05; it confirms the procurement regulation awareness was a statistically significant variable in predicting the procurement process application at Machakos University.

Based on the interview guide to the chief procurement and her deputies, the respondents highly cited staff in service training (90%) as a key area towards PPAD Act understanding and improvement, while induction into the job description to the newly employed staff was rated at 40%. Additionally, they cited delayed review of PPAD 2015 regulations. Chief procurement officer went on to say,

*"In our endeavour to make to make our staff acquainted with the procurement regulations, we have obtained and distributed copies of the PPAD, 2015 to the staff, by strategically placing them on the table(s) near the staff."*

However, one member of staff who had attended training four times retorted:



*“Delayed review of the PPAD, 2015 act has to some extent hindered the updating of the procurement processes to align it with the modern, e-procurement”.*

The above statement suggests that some of the guidelines in the 2015 procurement act were outdated and hence the management was currently hesitant to train its staff on an ‘outdated stuff.’

### **3.1 Discussions**

The level of regulation and procedure awareness on procurement process was low for substantial number of the staff as cited by 10(37.04%) of the respondents who scored less than 2.5 on average on a scale of 1-5. Among those who scored below fifty percent constituted 70% male staff and about two thirds of them aged below 25 years. They had five years’ experience or less on average and 80% were degree holders. These findings agree with Amos and Weathington (2008) that it is prudent when training in more specific areas, touching on procurement processes, such as records management, accountability and administrative law, that ethics training be provided alongside since this is an effective way to maintain ethics and awareness

The inferential analysis yielded similar results, thus confirming procurement regulation awareness as a statistically significant variable in predicting the procurement process application at Machakos University. Therefore, the inherent nature of poor concept application given poor knowledge calls for further research and analysis.

## **4. Conclusion and Recommendations**

The conclusions of the study were made within the framework of its objectives and scope as follows: to eradicate non-compliance of the PPAD Act 2015 by the procurement department, the University should organize for the staff in-service training and workshops courses which will ensure that staff is trained and furnished with the latest skills and emerging issues concerning the procurement process.

### **Conflict of Interest Statement**

The author was not part of the population that participated in the study nor a member or own shares of any publishing company.

### **About the Author**

The author studied Master of Education, educational planning at Mount Kenya University, Kenya and works at Machakos University in the School of Education as Administrative officer.

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