EFFECT OF TENDERING ON ORGANISATIONAL PERFORMANCE; A
SURVEY OF PUBLIC INSTITUTIONS IN KAJIADO COUNTY

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DECLARATION

This research project is our original work and has not been presented in any institution or any examination body.

Kisurkat E. Parori                          BML/8/00185/2/2014

Signature………………….          Date…………………

The research project is submitted with my approval as the University Supervisor.

Declaration by supervisor

Signature………………………..          Date……………………

Name………………………………
DEDICATION

This research project is affectionately dedicated to our parents for their moral support, continued concern and care of our well-being throughout our education life
ACKNOWLEDGEMENT

I thank God for the wisdom, knowledge and the ability as well as the gift of life and sound mind. To him be all glory and Honor.

We also acknowledge both the teaching and non-teaching staff of Management University of Africa for different roles they played in ensuring our activities at the University were well coordinated for our sake.

Special thanks go to my Supervisor Dr. Emmanuel Awuor for the support, Devotion, Tactical and professional guidance and easy availability and communication in making this research project a success.

I finally, sincerely appreciate our immediate families, close friends and my fellow students for their moral support as well as company in the entire period of our research study.
ABSTRACT

The research sought to evaluate the effect of tendering on the performance of organizations in the case of public entities in Kajiado County. Tendering is the process whereby governments and financial institutions invite bids for large projects that must be submitted within a finite deadline. Tendering is the function that costs an organization a great deal of money and thus has to be performed correctly in order to maximize effectiveness and minimize costs. The research aims to achieve how the following variables affect or influence public organizational performance: tendering committees; the tender procedure; ethical practices of tendering; automated tendering; and record management of tender documents. Descriptive research design will be used in the study. Data will be collected from three procurement professionals per entity in Kajiado County. Simple random sampling will be used to select the sample of the study. The data collection instrument to be used will be a Questionnaire which will be pre-tested through a pilot study before the actual data collection. The data will be analyzed by use of descriptive statistics such as, frequency, and percentages. Data will be presented by use of charts, graphs, percentages and frequency tables. This research project will aim to help various parties including: First to the procuring entities which have the responsibility to perform designated missions for the country as a whole. Then there is the business community of actual or potential suppliers to the government. There are also academic, training and public interest groups, which have important views on how public management institutions are to perform. And the largest interest group is the general public, who are more likely to feel satisfaction when they know that expenditures made through the public procurement system are economical, rational and fair. The research will be particularly useful to procurement entities in that amendments can be made in the PPDA to better the process of tendering.
TABLE OF CONTENTS

DECLARATION........................................................................................................................................... i
DEDICATION .................................................................................................................................................. ii
ACKNOWLEDGEMENT ............................................................................................................................... iii
ABSTRACT .................................................................................................................................................... iv
TABLE OF CONTENTS ................................................................................................................................. v
DEFINITION OF TERMS ............................................................................................................................. x

CHAPTER ONE: INTRODUCTION............................................................................................................ 1
  1.1 Background of the study ...................................................................................................................... 1
  1.2 Problem statement ............................................................................................................................. 3
  1.3 Objectives of the study ....................................................................................................................... 4
  1.4 Research questions ............................................................................................................................ 4
  1.5 Scope of the study ............................................................................................................................... 5
  1.6 Significance of the study .................................................................................................................... 5

CHAPTER TWO: LITERATURE REVIEW.................................................................................................. 6
  2.1 Introduction .......................................................................................................................................... 6
  2.2 Empirical Literature review .............................................................................................................. 6
    2.2.1 Research based theory .................................................................................................................... 7
    2.3.1 Tendering procedure ..................................................................................................................... 9
    2.3.2 Tendering committee .................................................................................................................... 11
    2.3.3 Professional ethical practices in tendering ................................................................................... 12
    2.3.4 Electronic tendering .................................................................................................................... 12
    2.3.5 Record maintenance and management in tendering process ..................................................... 13
    2.3.6 Performance indicators in public procurement entity ................................................................. 13
    2.3.7 Quality of goods purchased ......................................................................................................... 14
    2.3.8 Delivery performance .................................................................................................................. 14
    2.3.9 Supplier satisfaction and reliable suppliers .................................................................................. 15
    2.3.10 Price of good and cost of procurement operations ................................................................. 15
    2.3.11 Financial Growth ....................................................................................................................... 16
  2.4 Summary ............................................................................................................................................. 16
2.5 Operational framework .................................................. 17
2.6 Conceptual framework .................................................. 18

CHAPTER THREE: RESEARCH METHODOLOGY .................................................. 19
3.1 Introduction ...................................................................... 19
3.2 Research design ............................................................. 19
3.3 Target Population ........................................................... 19
3.4 Sampling design and sample size ....................................... 19
3.5 Data collection methods .................................................. 20
3.6 Validity of Research instruments ....................................... 20
3.7 Reliability of research instrument and pilot testing .................... 20

CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION OF FINDINGS ............ 21
4.1 Introduction ...................................................................... 21
4.2 Questionnaire response rate ............................................. 21
4.3 Tendering procedures ...................................................... 21
4.4 Tendering committees ...................................................... 24
4.5 ETHICAL PRACTICES ...................................................... 27
4.6 Automated tendering ....................................................... 30
4.7 Record management ....................................................... 32

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS ........ 34
5.2 Conclusions ..................................................................... 35
5.3 Recommendations .......................................................... 36
5.4 Limitations ..................................................................... 36
5.5 Suggestions for further study ............................................. 36

REFERENCES ........................................................................ 37
LIST OF FIGURES

Figure 1.0 Conceptual Framework.................................................................8

Figure 4.1 Training on Tender Procedure.....................................................22

Figure 4.2 Conformity to tender process as stipulated in the PPDA 2005............23

Figure 4.3 Pie Chart showing how often formal training is attended..................25

Figure 4.4 Bar Chart showing the extent to which separation of duties within tendering
affect performance..........................................................................................26

Figure 4.5 Pie Chart showing complains experienced........................................27

Figure 4.6 Training on tender Procedure........................................................28

Figure 4.7 Numbers of Computers and Application........................................29

Figure 4.8 Bar Chart showing number of enterprise applications.......................31

Figure 4.9 Bar Chart showing methods of record keeping..................................32
LISTS OF TABLES

Table 4.1 Method of tendering used in the organizations.............................................21
Table 4.2 Use of open Tendering..................................................................................22
Table 4.3 Training on Tender procedures.....................................................................22
Table 4.4 Performance of Department in Relation to tendering procedures........... 23
Table 4.5 Conformity to tender process as stipulated in the PPDA2005...............23
Table 4.6 How often does the tendering committee meet............................................24
Table 4.7 How many committees does your organization have..............................24
Table 4.8 How often do they attend formal training.....................................................25
Table 4.9 The extent to which separation of duties within tendering affect performance.................................................................26
Table 4.10 Have you experienced any complains.........................................................27
Table 4.11 Complains experienced.................................................................................27
Table 4.12 How often do complain arise........................................................................28
Table 4.13 Rating of Suppliers......................................................................................29
Table 4.14 Number of computers and Applications......................................................30
Table 4.15 ICT Awareness............................................................................................31
Table 4.16 Staff training on ICT..................................................................................31
Table 4.17 Number of enterprise applications...............................................................31
Table 4.18 Does the organization keep record on tendering.......................................32
Table 4.19 Method of record keeping............................................................................33
Table 4.20 How long organizations keep records of tendering.................................33
### ABBREVIATION

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>PPDA</td>
<td>Public Procurement and Disposal Act</td>
</tr>
<tr>
<td>PPOA</td>
<td>Public Procurement Oversight Authority</td>
</tr>
<tr>
<td>PPARB</td>
<td>Procurement Administrative Review Board</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>PPD</td>
<td>Public Procurement Directorate</td>
</tr>
<tr>
<td>PPCRAB</td>
<td>Public Procurement Complaints, Review and Appeals Board</td>
</tr>
<tr>
<td>PPAB</td>
<td>Public Procurement Advisory Board</td>
</tr>
<tr>
<td>ICT</td>
<td>Information, Communication and Technology</td>
</tr>
<tr>
<td>PPOAB</td>
<td>Public Procurement Oversight Advisory Board</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>PPDR</td>
<td>Public Procurement and Disposal Regulations</td>
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DEFINATION OF TERMS

The Act: Means Public procurement disposal act 2005

Tendering: The process whereby governments and financial institutions invite bids for large projects that must be submitted within a finite deadline.

Open tendering: a bidding process that is open to all qualified bidders and where the sealed bids are opened in public for scrutiny and are chosen on the basis of price and quality; also called competitive tendering or public tendering.

Public procurement: the process by which public entities contract for acquisition/supply of goods services or wants and disposal of public goods in accordance to the current legal framework of Public Procurement and Disposal Act (PPDA 2005).

Organizational performance: the performance of the organization.

Disposal: means the divestiture of public assets, including intellectual and proprietary rights and goodwill and other rights of a procuring entity by any means including sale, rental, lease, franchise, auction or any combination however classified, other than those regulated by any other written law.

Goods: includes raw materials, things in liquid or gas form, electricity and services that are incidental to the supply of the goods.

Services: means any objects of procurement or disposal other than works and goods and includes professional, non-professional and commercial types of services as well as goods and works which incidental are to but not exceeding the value of those services.

Public entity: the Government or any department of the Government; the courts; the commissions established under the Constitution; a local authority under the Local Government Act; a state corporation within the meaning of the State Corporations Act; the Central Bank of Kenya established under the Central Bank of Kenya Act; a co-operative society established under the Co-operative Societies Act; a public school within the meaning of the Education Act; a public university within the meaning of the
Universities Act; a college or other educational institution maintained or assisted out of public funds; an entity prescribed as a public entity for the purpose of this description.

**Procuring entity:** means a public entity making a procurement proceeding to which the PPDA 2005 applies.

**Public funds:** has the meaning assigned to it in the Exchequer and Audit Act and includes monetary resources appropriated to procuring entities through the budgetary process, as well as extra budgetary funds, including aid grants and credits, put at the disposal of procuring entities by foreign donors, and revenues.

**Regulations:** means regulations made under the PPDR 2006;

**Tendering committees:** means the committees that are involved during the tendering process and include; tender committees, procurement committees, tender evaluation committees, user departments, inspection committees and disposal committees.
CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Public procurement is the process by which public entities contract for acquisition/supply of goods, services, or wants and disposal of public goods in accordance to the current legal framework of Public Procurement and Disposal Act (PPDA 2005). Public procurement can also be referred to as the procurement of goods and services on behalf of the authority, e.g., government agency. It’s the awarding of contracts for public works and purchase of goods by the public authority (European Union). Public procurement is different from private procurement. In public procurement, the economic results must be measured against more complex and long-term criteria. Furthermore, public procurement is transacted with other considerations in mind, besides the economy. These considerations include accountability, non-discrimination among potential suppliers, and respect for international obligations. For these reasons, public procurement is subjected in all countries to enacted regulations in order to protect the public interests. It’s worth noting that unlike private procurement, public procurement is a business process within a political system and has therefore significant consideration of integrity, accountability, national interest, and effectiveness. (Wittig 2002)

Public procurement covers the management of supply on public institutions and agencies as well as publicly owned entities. Taxes represent a major source of the funds extended in public supply. These taxes are sourced from the public through the economy’s revenue collection authority. The objectives of a sound supply management in the public sector are basically the same as for the supply in the private sector: effective contribution to organizational goals and assurance of value for money spent.

Governments all over the world have received a great deal of essential services such as health education, defense, and infrastructure. To be able to meet the demand for these services, governments purchase goods and services from the market place. The business operations of the government in the market place or public procurement have thus both economic and political implications. The governments or its agencies through the public procurement, purchase commodities, services, contracts, and works by use of public resources. These resources are sourced from state budgets, state foundation funds, domestic loans, or foreign loans as well as revenue received from the economic activity of
the state. This is to say that public procurement involves the use of public funds (Wittig 2002).

The public procurement system in Kenya has evolved overtime from a crude system with no regulation to the current orderly and legally regulated system. Initial regulations were contained in the supplies manual of 1978 and supplemented by circulars that were issued from time to time by treasury. The director of government supply agencies was responsible for ensuring proper observance of the provisions of the manual. The manual created various tenders and their awards. A review of public procurement system carried out in 1999 unearthed a number of challenges. Among the key flaws noted was no uniform procurement system for the public sector. Besides the system that existed did not have sanctions against persons who breached the regulations in the supplies manual, other than internal disciplinary action. Moreover the supplies manual did not cover problems of works and the disputes settlement mechanisms relating to the award procedures as set out in the manual were weak and unreliable for ensuring fairness and transparency. Records of procurement transactions in most cases were found to be inaccurate or incomplete or absent which led to suspicions of dishonest dealings at the tender boards. In the view of the shortcomings, it was found necessary to have a law to govern the procurement system in the public sector and to establish the necessary institutions to ensure that all procurement entities observed the provisions of the law for the purpose of attaining the objectives of an open tender system in a sector.

There are different types of tendering used by public entities. They include open tendering, restricted tendering and negotiated tendering. Open tendering system is where prospective suppliers are invited to compete for a contract advertised in the press. The lowest tender in terms of price is generally awarded the tender although the entity states that they are not bound to accept the lowest bidder at all times. Restricted Tendering – This is an alternative method of procurement other than Open Tendering. The public entity is required to obtain prior approval from its Tender Committee. The public entity seeking approval must record in writing the reasons for using the alternative procedure. Particular conditions have to be stated and satisfied for approval to use this alternative method of procurement to be granted: Competition for contract because of its complexity or specialized nature limited to prequalified contractors; Time and costs required to examine & evaluate a large number of tenders would be disproportionate to the value of
the procurement; There are only a few known suppliers for a particular type of procurement. Negotiated tendering is similar to restricted tendering but the process allows the terms of contract to be negotiated within strict guidelines prior to awarding of a contract. This process is used in exceptional circumstances where the company is the sole source of supply, Cases of extreme urgency and where the precise specifications can only be determined by negotiation.

Adherence or compliance to public procurement procedures is important if public funds are to be used in the best way possible. Crucial in this respect is sound enforcement mechanisms that ensure that procurement entities comply with the regulation and those who fail to comply are duly punished. The question in the minds of the public is whether the public utilities are fully complying with these laws. Public officials have been known to break established regulations and no action has been taken against them. Many cases have been documented where public officials either misinterpret the laws or take advantage of slight weakness to further their own interest. (World Bank, 1995) The code of ethics is designed to help employees of procuring entities to comply with the Act and the regulations and to adopt good practices and ethical standards. Employees who violate the law or engage in unethical business dealings may be subject to disciplinary proceedings. (PPOA 2011)

Record management is a must if there is to be good governance in public entities tendering process. In cases where records are poorly managed companies have lost revenue through business claims or poor governance. Surveys shows that many companies still have poor electronic management record practices which results in claims if they are taken to courts. (Ahmed et al 1994). According to PPDA 2005 Procurement records shall be kept by all public procurement entities i.e. for each procurement records shall be kept for at least six years after the resulting contract was entered into or if no contract resulted after the procurement was terminated.

1.2 Problem statement

Despite an increase in knowledge in the tendering process according to PPDA2005 very little has been done to analyze the effect played by tendering on the efficiency and effectiveness of public institutions. The research therefore will seek to establish how the
tendering procedure, tendering committees, ICT application and tender records management influence the performance of public institutions in Kajiado County.

1.3 Objectives of the study

The general objective of the study is to examine the effect of tendering on performance of public institutions and the specific objectives are as below:

a) To establish the extent to which tendering procedures affect public organizational performance in Kajiado county
b) To establish the influence of tendering committees on public organizational performance
c) To examine the extent to which ethical practices in tendering influence public organizational performance
d) To determine the extent to which automation of tendering procedures affect public organizational performance
e) To determine the effect of record management of tender documents on public organizational performance

1.4 Research questions

The research will be guided by the following research questions;

a) How does the tendering procedure affect public organizational performance?
b) What is the influence of tendering committee on public organizational performance?
c) How do ethical practices in tendering influence public organizational performance?
d) How does automation of tendering procedures affect public organizational performance?
e) How does record management of tender documents influence public organizational performance?
1.5 Scope of the study

Public procurement entity refers to the public organization making procurement to which the PPDA 2005 applies. These include the government or any department of the government, the county governments, the courts, the commissions established under the constitution of Kenya, state corporations within the states corporations act, central bank, corporative society established under the corporative society act, public schools, public colleges, public universities and any public institution. This study will be therefore undertaken in public institutions in Kajiado county that fall under the above category of public procurement entities.

The samples will be collected from procurement departments. It will cover the procurement process conducted by use of tendering undertaken by public entities in a government financial year.

1.6 Significance of the study

The business operations of government, as controlled by public procurement systems, affect many different elements of society. The research study is therefore of great importance in various aspects. First to the procuring entities which have the responsibility to perform designated missions for the country as a whole. Then there is the business community of actual or potential suppliers to the government. International organizations and external donors of funds feel satisfied when their funds are used to get the best value. There are also academic, training and public interest groups, which have important views on how public management institutions are to perform. And the largest interest group is the general public, who are more likely to feel satisfaction when they know that expenditures made through the public procurement system are economical, rational and fair. The research will be particularly useful to procurement entities in that amendments can be made in the PPDA to better the process of tendering.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter consists of review of literature closely related to performance in public institutions in Kenya. It includes review of theoretical literature, critical review and the gaps to be filled and summary. The researcher drew materials from several sources which are closely related to the objectives of the study. This enabled the researcher to gain from previous research to come up with useful information so supplement and strengthen the study. It also enabled the researcher to identify and confirm major gains in the area for investigation.

2.2 Theoretical Literature Review

Gordon, S.P., (1996), points out that tendering process objective may be broad and specific. A classic definition is the competitive and procedural systematic procedure of selecting the best suppliers for the cheapest price. Kibera and Waruingi (2005), in their study on factors affecting tendering process found out those factors like ethical practices, training, ICT use and record management is the key factors that affect tendering process. It is with this perception that the supplies should provide better services to enhance the performance of the tendering process by better displaying these services by having good supplier, good prices good quality, and quick delivery of goods. Most consumers are sensitive to quality than quantity and that is the reason as to why the SME’S should look for the most competitive and reliable source to supply them with the quality goods/services their consumers demand.

Government procurement is one of the four economic activities of government Thai, (2001). The others are: redistributing income through taxation and spending, provision of public goods and services, and lastly providing the legal framework for economic activities to flourish. Ordinarily, government procurement includes "buying, purchasing, renting, leasing or otherwise acquiring any supplies, services or construction;" and "all functions that pertain to the obtaining of any supply, service or construction, including description of requirements, selection, and solicitation of sources, preparation and award of contract and all phases of contract administration" (American Bar Association, 2000). Although, government procurement is still young as an academic discipline, recent literature of public procurement suggests that public procurement practice has undergone major changes particularly in the area of legal
reforms. For LDCs, reforms in public procurement have been seen as one of the ways to integrate them into the emerging world economy (OECD Development Centre, (2002).

2.2.1 Research based theory

Methods of Procurement

Tender means a request drawn by a procuring entity for offers or quotations to be made by suppliers, service providers, contractors or asset buyers. The offer, quotation or technical proposal made by a supplier service provider, contractor or asset buyer in response to a request by procuring entity. All public procurement and disposal by tender shall be conducted in accordance with the basic principle set out in the Public Procurement Act. Subject to this Act all procurement and disposal shall be conducted in a manner to maximize competition and achieve economy, efficiency, transparency and value for money. A procuring entity engaging in the procurement of goods, works services or disposal by tender shall apply competitive tendering, using the methods prescribed in the regulations depending on the type and value of procurement and in any case the successful shall be the tender offering the lowest evaluated cost.

A procuring entity may select an appropriate alternative methods of procurement which include (turnkey contract, force account, procurement under public private partnership) in case where tendering would not be the most economic and effective methods of procurement and the nature and estimate value of goods, works or service permit. Public Procurement Act stipulates methods of procurement. The methods of procurement applied by depends on the value, nature, time needed, these are:

International Competitive tendering

In International Competitive tendering or International bidding, a procuring entity shall invite suppliers, contractors, service providers or assets buyers regardless of their nationality by means of a tender notice that shall be advertised nationally or international to submit priced tenders for goods, works or services or purchase of public assets. In this method payment may be in whole or in the foreign currency or the estimate cost of the goods or works exceeds the threshold for such tenders.
National competitive tendering

In this method a procuring entity shall invite supplier’s services provider’s contractors or asset buyers regardless of their national by means of a tender notice advertised in the United Republic of Kenya to submit priced tenders for goods, service, works or purchase of public assets. This method is applied when the payment is made wholly in Kenyan shillings, the goods, services and works are available in local at price below the international market, works or services are scattered geographical or spread over time.

Restricted tendering

Procuring entity may restrict the issue of tender documents to a limited number of specific suppliers, contractors or service providers. This method is applied when the goods, works or services required are of a specialized nature or can be obtained from a limited number of specialized contractors, service providers or reputable source or if there is urgent need for the goods, works or service such that there would be insufficient time for a procuring entity to engage in open national or international tendering, provided that the circumstances giving rise to the urgency could not have been foreseen by a procuring entity and have been caused by dilatory conduct on its part.

International and national shopping

Shopping is a procurement method on comparing price quotations obtained from several suppliers to ensure competitive prices and is an appropriate method for procuring readily available off the shelf goods or standard specification commodities that are small in value. A tender board may approve for competition to be invited through request for quotations at international or national level where it has determined that:

(i.) The goods to be procured are so diversified that it would be of no commercial interest for any single suppliers to tender for them.

(ii.) (ii.) The goods are readily available off shelf or standard specification commodities.

Contracting out (or simply 'contracting')

It does not generally involve the sale of publicly owned assets. Yet it has been widely used as a mechanism for reform of public-sector service provision. Contracting introduces ex-ante competition-competition for the market through competitive
tendering. This article examines both the theory and evidence of contracting by the public sector. It considers the theoretical conditions, such as contractual incompleteness and the ownership, physical assets, which may impede efficient contracting. It also reviews the international evidence which suggests that savings in the order of 20 per cent are achievable, without sacrificing the quality of service provided.

2.3.1 Tendering procedure

Before the tendering process begins procurement plan is drafted following the process of procurement planning. A procurement plan is a document that sets the stages for procurement phases. It’s prepared for a specific period of time and to be precise one government financial year for the public entities. Planning becomes a critical attribute to fair and transparent tendering process. A good procurement plan includes inclusion of appropriate specifications for the requirements and the procurement budget for the organization (Francoise 2009).

Tendering is a procurement procedure whereby potential suppliers are invited to make a firm and unequivocal offer on the price and terms in which they will supply specified goods, services or works which on acceptance shall be the basis of a subsequent contract. (Lysons et al 2006). Tendering is based on the principles of competitiveness, fairness and accessibility, transparency, openness and integrity. (World Bank 2008) Internationally all public entities are subjected to tendering by law so as to prevent fraud, waste, unethical practices or local protectionism (Global Trade Negotiation 18th Dec 2006). The law guiding Kenyan public entities choice of procurement procedure is the PPDA 2005. Public entities should use tendering as a choice of procurement procedure in times of urgent need. (Jodi 2004). The act of parliament came into operation in 1st Jan 2007 after years of misuse of public funds by public entities. It aims to maximize economy and efficiency, to promote integrity and fairness of procurement procedures, to increase transparency and accountability and to increase public confidence in public procedures. Several bodies including; Public Procurement Oversight Authority (PPOA), Public Procurement Oversight Advisory Board (PPOAB), and Public Procurement Administrative Review Board (PPARB) to regulate public procurement. (PPDA 2005). The procurement systems before the enactment of the act had weaknesses that only undermined their capacity for carrying out their mandate effectively, but also led to a
public perception that the public sector was not getting maximum value money spent on procurement. In 1990s (Lewa 2007) indicates that there was a concern among Kenya’s development partners, civil society and the citizens about the need to have a sound legislative and institutional framework to govern the public procurement sector in Kenya. Towards the end of 1990s, enactment of legal and institutional framework which were necessary to streamline the management of public procurement sector in Kenya was a condition for development assistance from western countries, the World Bank and the international monetary fund (IMF). The delay by the then KANU regime, to enact a sound legal framework to guide the management of public procurement resulted in the suspension of aid to the country in 2000 by western countries, World Bank and the IMF. Kenya’s development partners in the west argued that absence of a sound procurement law was responsible for run-away corruption in the sector (Odhiambo and Kamau 2003).

There are several main steps that are mostly used in the tendering process (Creswell 2008). First the tender process is determined i.e. the organisation requesting the tender will determine the tender that will be used as well as what will be involved in the tender process. Secondly the tender documents are prepared in accordance with the act and regulation. They shall contain enough information to allow fair competition among those who may wish to submit tenders. Thirdly the procuring entity shall take steps reasonable to bring the invitation to tender to the attention of those who may wish to submit tenders. If advertisement is to be done, it should be in at least twice in a national newspaper. Fourthly, suppliers respond by; first, they obtain all the relevant documentation after paying a fee prescribed for copies of the tender documents. At this stage it’s important to attend any pretender briefing sessions being conducted, clarify any uncertainties, plan your response, prepare your response and submit your response in the right format, on time and at the right location. (Fadhil and Hong 2002). The next stage is opening of the tenders, where the accounting officer appoints a tender opening committee specifically for the procurement. Members of the tender opening committee shall open the tenders and record in a tender opening register. They shall also sign each tender and prepare tender opening minutes.

The procuring entity determines the responsiveness of tenders. A tender is responsive if it conforms to all mandatory requirements in the tender documents. If the procurement entity determines that none of the submitted tenders is responsive, the procuring entity
shall notify each person who submitted the tender. The next stage is evaluation and selection: each tender will be checked for compliance and if compliant, then evaluated against the criteria specified in the tender documentation. The tender that offers best value for money will win. It’s based on the lowest bidder unless otherwise. Notification of award and debriefing is done. When a contract has been awarded the successful tenderer will be advised in writing. Unsuccessful tenderers are also advised and offered a debriefing interview. (Dozzi et al 1996). Finally contracts are established and managed. (PPDA 2005 and PPDR 2006)

2.3 Empirical Literature Review

2.3.1 Tendering committee

According to PPDA 2005 and PPDR regulation 2006, all procurements shall be handled by different offices in respect to procurement initiation, processing and receipt of goods, works and services. A public entity shall establish a procurement unit who shall establish a tender committee, a procurement committee, evaluation committee, inspection and acceptance committee disposal committee and a user department as required under the regulation for the purpose of making such decisions on behalf of the public entity as specified in the act and regulation. A procurement unit established under subsection is staffed with professionals whose qualifications have been recognized by authority. A procurement professional has procurement professional qualification in procurement and supply management from a recognized institution. A committee or body established under the act should consist of not less than 5 members; have as its secretary, the procurement professional in charge of the procurement unit. The accounting officer who is the person nominated by the permanent secretary to the treasury or the chief executive of the public entity, or for local authority, the town or the county clerk of the local authority is the overall in charge of the procurement entity and the tendering committees. The procurement bodies i.e. committees perform duties as prescribed in the regulations.

The major function of the tender committee is to review, verify and ascertain that all procurement and disposal has been undertaken in accordance with the act, regulations, and the terms set out in the tender documents. It prepares minutes of all its meetings.

An evaluation committee is set for each procurement within the threshold of the tender committee for the purposes of carrying out the technical and financial evaluation of
tenders. Under no circumstance may any member of an evaluation committee be it a financial evaluation or technical evaluation committee enter into direct communication with any of the tenderers participating in a tender. This committee prepares a report of the analysis of the tenders received and final ratings assigned to each tender and submit the report to the tender committee. There is an inspection and acceptance committee which inspects and reviews the goods works or services in order to ensure compliance in the terms and specifications of the contract. It may accept or reject on behalf of the procurement entity the procured goods works or services (PPDA 2005 and PPDR 2006)

2.3.3 Professional ethical practices in tendering

The process of procurement is the process that offers the most potential for ethical abuses or violations. Procurement management practices should identify areas of potential ethical pitfalls and address them ahead of time so that employees know what ethical practices to avoid. (Elshleman 2002). The largest ethical issue in procurement process for conflict of interest. Purchasing goods or services from individuals or companies with whom one has personal or familial relationships leave the organization open to fraud at the worst or overpayment of items or services procured. Relationship between employees and vendors can result in ethical concerns. During the procurement process the employee in receiving kick-backs inform of cash or goods from the vendor. (Gomez 1999).Discriminating against vendors for reasons of nationality or other factors not related to the quality of the product or service can create ethical concerns and legal problems for organisations that are wholly or partly financed by public money. (Fisher and Lovell 2009).The public procurement oversight authority exercises oversight in the management of the code of ethics including taking remedial measures with the code of ethics as breached. The code of ethics complements the PPDA 2005 and PPDR 2006. (PPOA, 2011).

2.3.4 Electronic tendering

The use of technology may improve the functionality of government procurement marketplaces through e-procurement systems that facilitate transparency, accountability and access through an open system, reduce the transaction cost to all parties of doing business by minimizing non value added activities like telephoning, printing, postage and re-keying; reduce process cycle times; and provide platform for competitiveness and growth (Calarco, 2003). The use of technology in e-tendering can involve procurement
planning and budgetary control; tracking supply needs i.e. demand forecasting, inventory management etc.; communicating buyers procurement programs and advertising contract awards; tracking the tendering approval process, advertising buyers tendering notices, providing supplier access to buyers tender documents and buyer/supplier communication on technical and other clarifications regarding tendering; sharing of information in networks of Public procurement agencies on topics like: membership news and public procurement events. Technology in e-tendering may also involve management of supplier data like expression of interest, supplier registration and pre-qualification, supplier submission of bids, quotations and proposals; buyer process and evaluation of bids; communication as needed between buyer and supplier prior to closing of the contract, supply management i.e. delivery and progress of awarded contracts including tracking supplier delivery schedules, invoicing and payments; and data archiving for purpose of audit trail and security. (Wittig 2002)

From the above e-procurement can be condensed into e-sourcing, e-tendering, e-informing e-MRO (e-maintenance, repair and maintenance of operating materials) and e-collaboration (Knudsen, 2003). The principle of electronic tendering is simply to provide a faultiness system of transmitting input from the contactors tender through to contract management removing the inefficiencies, delays and cost involved in manually processing tender information and re-transcribing for contract management activities.

2.3.5 Record maintenance and management in tendering process

According to PPDA 2005, Procurements records should be kept by all public entities. The entities should keep records for each procurement for at least six years after the resulting contract was entered into or, if no contract resulted after the procurement proceedings were terminated. The records of procurement must include the procurement of the goods, works or services being procured if a procedure other than open tendering were used the reasons for doing so, copy of the advertising as it appeared in the newsletter or publication, the name and the address of the person making the submission, the price and the summary of the other terms and conditions of the tender, proposal or quotation, a summary of the evaluation and comparison of the tenders, quotations or proposals including the evaluation criteria used; if the procurement proceedings were terminated without resulting in a contract the reasons why? Keeping the above records are vital because after a contract has been awarded or the procurement proceedings have
been terminated, the procurement entity shall on request, make the records available to
the person who submitted the tender or quotation, or if direct procurement was used the
person with whom the entity was negotiating.

Efficient management records are basis of good governance. (Musembi, 2005). When
government records are easily accessible to members of the public are at times when they
want to verify actions and activities of public servants, a relationship based on trust
between the government and the governed is really strengthened. In such an environment
evidence will be made available whenever needed. The public service will therefore enjoy the confidence and support of its citizens (Kombo and Tromp 2011)

2.3.6 Performance indicators in public procurement entity
The standard statement of the objectives of the purchasing and supply function is that it
should obtain the right materials (meeting quality requirements), the right quantity, for
delivery at the right time and the right place, from the right source (a supplier who is
reliable and will meet its commitments in a timely fashion), with the right service (both
before and after sale), and at the right price both in the short term and long term (Johnson
et al 2006). Attainment of these objectives can measured by the following indicators of
performance:

2.3.7 Quality of goods purchased
Quality is the totality of features and characteristic of a product to satisfy stated or
implied needs. Crosby defines quality as conformity to requirement not goodness. He
stresses the definition of quality can never make any sense unless it’s based on what the
customer wants i.e. a product is a quality product only when it conforms to the
customers’ requirements. A continuous improvement in product quality purchased is
directly linked to the organisations ability to compete effectively.

2.3.8 Delivery performance
A procurement department should be able to receive the goods ordered from the
suppliers without expediting or follow up hence meeting the delivery dates as per the
order. Also the suppliers should the deliver the right quantities of goods procured. The
number of rejected goods should be minimal.
2.3.9 Supplier satisfaction and reliable suppliers

Satisfaction has been defined as a pleasant feeling. It’s defined also as a positive affective state resulting from appraisal of all aspects of a firms working relationship with another company, prompt payment and ease of procurement procedures followed by the buyer satisfies the supplier hence the satisfaction.

The success of supply depends on its ability to link supplier base decisions to organisations strategy and it’s keen in locating or developing suppliers, analyzing suppliers’ capabilities, selecting the appropriate supplier and then working with that supplier to obtain continuous improvement. Only if the final selection results with suppliers who are both responsive and responsible will the firm obtain the items and services it needs.

2.3.10 Price of good and cost of procurement operations

In conducting the tendering process, the procurement department should keep the cost of operations as low as possible and at the same time achieving the best. Price is the value of a commodity or service measured in terms of the standard monetary unit. (Lysons2006).The right prices are not necessarily the lowest prices. These are the prices which bring the best ultimate value invested in the purchasing of materials. To get the right price, an analysis of prices is done based on; cost experiences of the buyer, cost estimates prepared by the estimating staff of the buyer and cost information prepared by the vender.

2.3.11 financial growth

Stock wealth maximization is the appropriate goal for management decisions. The risk and timing associated with expected earnings per share and cash flows are considered in order to maximize the price of a firm’s common stock (Eugene 2002). Minimizing on tendering costs guarantees an organization financial growth.

2.4 Summary

Organizations will seek other businesses to respond to a particular need, such as the supply of goods and services, and will select an offer or tender that meets their needs and
provides the best value for money. The tendering process is generally utilised for procurements or contracts involving substantial amounts of money. Tendering is utilised by: Government departments, offices and agencies, Private sector companies and businesses, Non-Government Organizations, Overseas markets and businesses. While the concept of tendering may seem daunting at first, it can be easily tackled by having a plan of ‘attack’. When becoming involved in a tendering process, it is important to understand your institution’s suitability for the project; whether your institution’s current situation will allow for you to tender, as well as your ability to manage the contract if you are successful in winning the tender. By understanding these points and ensuring you can demonstrate that you are able to meet the criteria and offer a competitive bid, you will increase your chances of success.

Whilst the tendering process may differ between Government and private sector, the two groups generally look for similar things; the core being value for money. Quality, reliability, efficiency, and added value are important factors in any tender offers that are sought after when evaluating tender submissions.

Again tendering committees are very crucial as far as tendering in public institutions is concerned. The role of this committee is to evaluate bids in accordance with the specifications as set out in the original tender document and to conduct such an evaluation under a point system as stipulated in the Supply Chain Management Policy of the organ of state.

A key consideration when evaluating a bidder’s tender is to assess whether it has the capacity and know-how to render the required service efficiently or deliver the right product at the desired time. This is to ensure that suppliers who enter the bidding stage are ones that are indeed qualified to respond to procurement requirement.

Once this committee has made a recommendation as to their choice of a preferred bidder to execute the contract, they’re also tasked with confirming whether this bidder’s municipal rates and taxes and municipal charges are not in arrears or outstanding for more than the stipulated period. Tender documents, issued in the main by municipalities, has a declaration form wherein the bidder declares that no such rates, taxes or municipal charges are outstanding. The organ of state may also reject the bid or quote of any person
if that person or any of its directors has failed to pay municipal rates and taxes or municipal service charges and such rates.

Nowadays, large organizations usually have to handle multiple procurement needs by applying different kinds of information systems developed by various suppliers. Such process will become inevitably long and cumbersome in conventional e-tendering systems when the categories of products are not well sorted out. In order to realize better cost savings and increase efficiency, replacing the manual paper-based tender procedures by electronic-facilitated system has become an essential element in process re-engineering. With a highly automated e-Tendering system, tender specification, advertising, tender aggregation as well as the evaluation and placing of the contract can be prepared at ease. Tender Tailor, an e-Tendering System (or Electronic Tendering System) developed by Software Tailor, replace these manual paper-based tender processes with electronically facilitated processes based on best tendering practices to save time and money.

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Dependent variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tendering procedure</td>
<td>Performance of public institutions in Kajiado County</td>
</tr>
<tr>
<td>Tendering committee</td>
<td></td>
</tr>
<tr>
<td>Ethical practice</td>
<td></td>
</tr>
<tr>
<td>Automation</td>
<td></td>
</tr>
<tr>
<td>Record management</td>
<td></td>
</tr>
</tbody>
</table>
2.6 Conceptual Framework

The conceptual framework gives a clear picture on the relationship between the variables and helps to understand the effect of tendering on organization performance in public institutions in Kenya.

2.6 The Operational Framework

The operational framework involves a list of all the variables both dependent and independent. It summarizes the key concepts for making programming at the field level more accountable to affected population. The framework is designed to assist implementing agencies both individually and in groups to find practical entry points for improving accountability to affected populations.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction
This chapter focuses on methodology that was used in the research study. This includes the research design, target population, sample design and procedures, data collection instruments and data analysis procedures.

3.2 Research design
This study adopted a descriptive research design. Descriptive research design is a scientific method which involves observing and describing the behavior of a subject without influencing it in any way. Descriptive research design is non-experimental in that it deals with relationships between non-manipulated variables in a natural rather than an artificial setting (Oseno 2013). It’s used to obtain pertinent and precise information concerning the current phenomena and where possible to draw valid general conclusions from the facts discovered. We therefore established the relationship between tendering and organizational performance.

3.3 Target Population
The target population will be Thirty entities in Kajiado County.

3.4 Sampling design and sample size
Sampling is the process by which a relatively small number of individuals, objects or events is selected and analyzed in order to find out something about the entire population from which it was selected. A sample is a small proportion of targeted population selected using some systematic form.

Simple random sampling method will be used to select the entities. Three respondents will be drawn from procurement employees working within procurement departments in each public entity in Kajiado county.
3.5 Data collection methods

Both primary data and secondary data were used in this study. Questionnaires were used to collect primary data. Secondary data was collected through document analysis.

3.6 Validity of Research instruments

Validity is the accuracy and meaningfulness of influences, which is based on the research results. It’s a degree to which results obtained from the analysis of the data actually represent the phenomenon under study (Mugenda and Mugenda, 2003). The questionnaires were subjected to scrutiny by the researcher’s supervisor for validation purpose.

3.7 Reliability of research instrument and pilot testing

Reliability refers to the consistency of a measure, the ability of the instrument used in research to consistently measure the characteristic of interest overtime (Ahmed et al, 1994). To ensure the reliability of the instrument pilot study was carried out. The instrument was pre-tested through a pilot study before the actual data collection.

3.8 Data analysis

The data was analyzed by use of descriptive statistics such as frequency, and percentages. This is because a lot of qualitative data will be collected. Data will then be presented in form of tables, graphs, percentages and charts to summarize data for easy understanding.

3.9 Research Ethics

The researcher followed the right procedures by acquiring an authorization letter from the University before conducting the research. The researcher was keen in ensuring that the research was conducted in a very ethical way. The data collected, results found were all interpreted and clearly presented. All the information which was confidential was properly protected. The researcher strived to promote social good and prevent or mitigate social harms through the research. The researcher honored patents, copyrights and never used unpublished data, methods or results without the right authorization. This was done to ensure objective of the research was met at the least struggle.
CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 Introduction
This chapter reports the major findings of the study which were collected using questionnaires in public institutions in Kajiado county set to answer the effect of tendering on performance of public institutions. Data was analyzed separately for each set of questionnaires for each entity and presented in the form of frequency distribution tables, Pie Charts and Bar Graphs.

4.2 Questionnaire response rate
Out of the thirty questionnaires which were given to the respondents twenty eight were filled and returned. This represents 93.33% response rate of all the questionnaires issued. This response rate was achieved as the researchers self-administered the questionnaires on a drop and collect later basis.

4.3 Tendering procedures
   Tendering procedure in place,

All organizations stated that they had tendering procedure in place.

Table 4.1 Method of tendering used in the organisations

<table>
<thead>
<tr>
<th>Method</th>
<th>No. of questionnaires</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open</td>
<td>5</td>
<td>35.71</td>
</tr>
<tr>
<td>Restricted</td>
<td>3</td>
<td>17.65</td>
</tr>
<tr>
<td>Direct</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Negotiated</td>
<td>3</td>
<td>17.65</td>
</tr>
<tr>
<td>Open &amp; restricted</td>
<td>3</td>
<td>17.65</td>
</tr>
<tr>
<td>Totals</td>
<td>14</td>
<td>100</td>
</tr>
</tbody>
</table>
### Table 4.2 Use of open Tendering

<table>
<thead>
<tr>
<th>How often do you use open tendering</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regularly</td>
<td>7</td>
<td>50</td>
</tr>
<tr>
<td>Sometimes</td>
<td>4</td>
<td>28.57</td>
</tr>
<tr>
<td>Rarely</td>
<td>3</td>
<td>21.43</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>14</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

From the above it’s evident that 50% responses use open tendering regularly in their organizations. Those who use it sometimes is 28.57% of the responses. Organisations that rarely uses open tendering was 21.43%. This indicates most use open tendering regularly and validates tendering as our area of research.

### Table 4.3 Training on Tender procedures

<table>
<thead>
<tr>
<th>Evaluation</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Not sure</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do training on tender procedures improve performance</td>
<td>57.14%</td>
<td>35.71%</td>
<td>7.14%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Figure 4.1 Training on Tender Procedures

Most respondents did Strongly Agree and Agree that Training on tender procedures improved performance in the department. Training staff on tendering procedures is an important ingredient to proper undertaking of the procedures and therefore impact positively on the procurement performance.

**Table 4.4 Performance of Department in Relation to Tendering procedures**

<table>
<thead>
<tr>
<th>Rating</th>
<th>No of questionnaires</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>2</td>
<td>14.29</td>
</tr>
<tr>
<td>Very good</td>
<td>6</td>
<td>42.86</td>
</tr>
<tr>
<td>Good</td>
<td>6</td>
<td>42.86</td>
</tr>
<tr>
<td>Poor</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Totals</td>
<td>14</td>
<td>100</td>
</tr>
</tbody>
</table>

**Table 4.5 Conformity to tender process as stipulated in the PPDA2005**

<table>
<thead>
<tr>
<th>Rating</th>
<th>No of questionnaires</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>4</td>
<td>28.57</td>
</tr>
<tr>
<td>Very good</td>
<td>5</td>
<td>35.17</td>
</tr>
<tr>
<td>Good</td>
<td>5</td>
<td>35.17</td>
</tr>
<tr>
<td>Poor</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Totals</td>
<td>14</td>
<td>100</td>
</tr>
</tbody>
</table>
4.4 Tendering committees

Presence of a tender committee

All the organizations stated that they had a tender committee

Table 4.6 How often does the tendering committee meet

<table>
<thead>
<tr>
<th>Weekly</th>
<th>Monthly</th>
<th>Quarterly</th>
<th>Yearly</th>
<th>When needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 4.7 How many committees does your organization have

<table>
<thead>
<tr>
<th>Number</th>
<th>No of questionnaires</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>3</td>
<td>21.43%</td>
</tr>
<tr>
<td>Two</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Three</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Four</td>
<td>3</td>
<td>21.43%</td>
</tr>
<tr>
<td>Numerous</td>
<td>8</td>
<td>57.1%</td>
</tr>
<tr>
<td>Totals</td>
<td>14</td>
<td>100%</td>
</tr>
</tbody>
</table>
Presence of numerous tendering committees causes delays.

Those organizations that stated they had numerous tendering committees all indicated that indeed the presence of numerous committees causes delays.

Formal training on tendering

All the organizations stated that they had attended formal training on tendering procedures. Yes was 100%.

Table 4.8 How often do they attend formal training

<table>
<thead>
<tr>
<th>How often do you attend formal training</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regularly</td>
<td>2</td>
<td>14.29</td>
</tr>
<tr>
<td>Sometimes</td>
<td>8</td>
<td>57.14</td>
</tr>
<tr>
<td>Rarely</td>
<td>4</td>
<td>28.57</td>
</tr>
<tr>
<td>Totals</td>
<td>14</td>
<td>100</td>
</tr>
</tbody>
</table>
Figure 4.3 Pie Chart showing how often formal training is attended

Table 4.9 The extent to which separation of duties within tendering affect performance

<table>
<thead>
<tr>
<th>Evaluation</th>
<th>Evaluation</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent do you agree that separation of duties within tendering affect performance</td>
<td>21.43%</td>
<td>78.57%</td>
</tr>
</tbody>
</table>
Figure 4.4 Bar chart showing the extent to which separation of duties within tendering affect performance

4.5 ETHICAL PRACTICES

Table 4.10 Have you experienced any complains

<table>
<thead>
<tr>
<th></th>
<th>No. of questionnaires</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>14</td>
<td>100</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 4.11 Complains experienced

<table>
<thead>
<tr>
<th>Complain</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conflict of interest</td>
<td>7</td>
<td>50</td>
</tr>
<tr>
<td>Unfairness</td>
<td>3</td>
<td>21.4</td>
</tr>
<tr>
<td>Direct award of contract</td>
<td>2</td>
<td>14.29</td>
</tr>
<tr>
<td>Fraud</td>
<td>2</td>
<td>14.29</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
<td>100</td>
</tr>
</tbody>
</table>
Figure 4.5 Pie Chart showing Complains experienced

Table 4.12 How often do complains arise

<table>
<thead>
<tr>
<th>How often do complains arise</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regularly</td>
<td>2</td>
<td>14.29</td>
</tr>
<tr>
<td>Sometimes</td>
<td>6</td>
<td>42.86</td>
</tr>
<tr>
<td>Rarely</td>
<td>6</td>
<td>42.86</td>
</tr>
<tr>
<td>Totals</td>
<td>14</td>
<td>100</td>
</tr>
</tbody>
</table>
Table 4.13 Rating of Suppliers

<table>
<thead>
<tr>
<th>Rate the suppliers obtained</th>
<th>Evaluation</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Excellent</td>
<td>Very good</td>
</tr>
<tr>
<td>Quality</td>
<td>%</td>
<td>21.43%</td>
</tr>
<tr>
<td>Delivery</td>
<td>%</td>
<td>21.43%</td>
</tr>
<tr>
<td>Reliability</td>
<td>%</td>
<td>21.43%</td>
</tr>
<tr>
<td>Cost</td>
<td>%</td>
<td>7.14%</td>
</tr>
</tbody>
</table>

From the table of evaluation of suppliers in terms of quality, none of the respondents said that the suppliers they obtained were excellent, 21.43% very good, 78.57% good and none satisfactory. About delivery, none said that the supplier’s delivery was excellent, 21.43% very good, 71.43% good and 7.14% satisfactory. In terms of the reliability none of the respondents said that the suppliers were excellent, 21.43% said the suppliers are very good, 64.29% good and 14.29% satisfactory. On the cost of suppliers obtained, none said that the costs were excellent, 7.14% said the cost was very good, 64.29% good and 28.57% satisfactory.

This shows that none of the respondents said that the suppliers they obtained from the tender process were excellent; they either said they are very good, good or satisfactory.
given the quality, delivery, reliability and the cost of suppliers. Therefore a well carried out tender process led to good suppliers obtained.

4.6 Automated tendering

Table 4.14 Number of computers and Applications

<table>
<thead>
<tr>
<th>Evaluation</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Several</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many computers are there in your department</td>
<td>6</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>%</td>
<td>42.86%</td>
<td>%</td>
<td>21.43%</td>
<td>28.57%</td>
<td>7.14%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Figure 4.7 Number of computers and Applications

From the table none of the respondents said that they have one computer in their department, 42.86% said they have two, none had three, 21.43% have four and 28.57% have five computers while 7.14% had several computers. This means that public procuring institutions are seeing the need to make use of computers to simplify the tendering process. At least every respondent said they had at least a computer in their department.
Table 4.15 ICT Awareness

<table>
<thead>
<tr>
<th>Evaluation</th>
<th>Highly trained</th>
<th>Trained</th>
<th>Not sure</th>
<th>Less Trained</th>
<th>Not Trained</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate the staff in IT Awareness</td>
<td>0%</td>
<td>92.86%</td>
<td>7.14%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The table shows that none of procurement staff is highly trained, 92.86% are trained, 7.14% are not sure whether they are trained or not, none are not trained. This shows that 92.86% of the respondents said that their staff have awareness about IT as opposed to the total of 7.14% who are not sure. This means that training in it is key to improving the tendering procedure and procurement.

Table 4.16 Staff training on ICT

<table>
<thead>
<tr>
<th></th>
<th>No. of questionnaires</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>12</td>
<td>85.71</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
<td>14.29</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 4.17 Number of enterprise applications

<table>
<thead>
<tr>
<th>Number</th>
<th>No of questionnaires</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>3</td>
<td>21.43</td>
</tr>
<tr>
<td>Two</td>
<td>3</td>
<td>21.43</td>
</tr>
<tr>
<td>Three</td>
<td>1</td>
<td>7.14</td>
</tr>
<tr>
<td>Four</td>
<td>2</td>
<td>14.29</td>
</tr>
<tr>
<td>Numerous</td>
<td>4</td>
<td>28.57</td>
</tr>
<tr>
<td>None</td>
<td>1</td>
<td>7.14</td>
</tr>
<tr>
<td>Totals</td>
<td>14</td>
<td>100</td>
</tr>
</tbody>
</table>
21.43% of the respondents said they have one installed system/program to be used in procurement, 21.43% have two, 14.29% had 4 programs and another 28.57% have numerous programs. This means that there are very few computer systems for tendering process in the public institutions though they are not absent completely. This shows that the organizations are trying to integrate the use of computer system to improve performance.

4.7 Record management

Table 4.18 Does the organization keep record on tendering

<table>
<thead>
<tr>
<th></th>
<th>No. of questionnaires</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>14</td>
<td>100</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Table 4.19 Method of record keeping

<table>
<thead>
<tr>
<th>Method</th>
<th>No. of questionnaires</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lock and key</td>
<td>4</td>
<td>28.57</td>
</tr>
<tr>
<td>Password</td>
<td>7</td>
<td>50</td>
</tr>
<tr>
<td>Both lock and key &amp; password</td>
<td>3</td>
<td>21.43</td>
</tr>
<tr>
<td>Totals</td>
<td>14</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 4.9 Bar Chart showing methods of record keeping

Table 4.20 How long organizations keep records of tendering

<table>
<thead>
<tr>
<th>Number</th>
<th>No of questionnaires</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Two</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Three</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Four</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Five</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Six</td>
<td>7</td>
<td>50</td>
</tr>
<tr>
<td>More than six years</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Totals</td>
<td><strong>14</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Main findings

The general objective of the study was to examine the effect of tendering on performance of public Organizations and the specific objectives were as follows: To establish the extent to which tendering procedures affect public organizational performance; To establish the influence of tendering committees on Organizational performance; To examine the extent to which ethical practices in tendering influence public Organizational performance; To determine the extent to which automation of tendering procedures affect Organizational performance; and to determine the effect of record management of tender documents on Organizational performance.

The research design that was used was descriptive in nature which involves observing and describing the behavior of a subject without influencing it in any way. The target population in the research was three Procurement Professional in the procurement department in public entities in Kajiado County. The sample of the study was obtained through simple random sampling technique and the sample size was five public entities and therefore fifteen questionnaires were administered. This study relied on primary data which was collected through the use of structured questionnaires which were intended to capture quantitative data. Questionnaires had close-ended questions and data was processed through Microsoft Excel and statistical package for social sciences (SPSS).

From the findings it is evident that how entities conduct their tendering procedures affects the performance of the organization activities. It also establishes that Tendering committees play a vital role in the activities of the tendering process. It also shows that Ethical behaviors, automated tendering and well management of tendering documents contribute to the success of the performance in the department as well as the whole organization.
5.2 Conclusions

Based on the findings; Tendering is used regularly, and many entities conform to the procedures as stipulated in the act. Furthermore many agreed that training employees on tender procedures would improve their performance. A larger proportion attributed the performance of their department to the tendering process they undertook. This concludes that, entities that conduct tendering procedures as per the act improve the performance of their department.

Most of the tender committee’s members attended training on tender procedures sometimes. Most of the responses strongly agreed that separation of duties within the tendering committees improved procurement performance to an average. Furthermore presence of numerous tendering committees caused delays to the process of tendering as many respondents agreed to this. This concludes that how many, duties are allocated and how tendering committees execute their duties affects the performance of the department.

Complains did arise sometimes and at times none after the contract award from the dissatisfied tenderers. The quality of suppliers obtained was rated to be good, In terms of delivery good, and in terms of reliability good. This shows observance of ethical practices in the tendering process resulted in suppliers who would be relied upon in terms of quality and delivery. The procurement process should therefore as much as possible portray ethical behaviors to portray a good image to the public about the process. Ethical practices improve the performance of the procurement department and the organization at large.

In each organization it was found that it had at least two computers in the procurement department and enterprise/computer application system for use in the procurement. The staff were generally trained and thus aware of ICT and only a few respondent stated that they were either less or not trained at all. This means that public entities should employ more capital in ICT to increase efficiency and effectiveness of the tender documents. Majority respondents indicated that indeed they kept records on tendering for at least six years; some indicated that they kept their records under lock and key but most of them used passwords. Some respondents said they used both methods though.
5.3 Recommendations
From the results of the study we recommend that training to all the procurement staff and persons involved in the tendering process is necessary in order to provide them with skills and knowledge of procurement process. We as well recommend for a reduction of number of tendering committees to reduce any delays caused by them because in some organizations respondents felt so and hence should be reduced as to improve performance in the Organizations. Public entities ought to also ensure that procurement policies and regulations are adhered to so as to be ethical in the tendering process.
Public organizations should increase their funding towards investing in computer technology so as to use automated tendering in their activities including storage of tender documents for future reference.

5.4 Limitations
Time was a major limitation to doing of the study but at the end of the day we were able to overcome it and successfully did the research. Some respondents were also reluctant to give information regarding their organizations tender process due to confidentiality matters. We also encountered hard convincing some respondents to stamp the questionnaires but some were completely adamant.

5.5 Suggestions for further study
This study is constrained in public entities in Kakamega and hence study should be conducted in other entities in the country for comparison. A study should also be carried in the counties to establish how the tendering procedures between the National government and the county Government affect the Organizational performance at individual entities. Further researches should be conducted in other procurement procedures. Lastly research should be done in private institutions for comparison purposes and thus act on the divergences.
APPENDIX 1

QUESTIONNAIRE

Please tick appropriate on closed ended questions, explanations on open ended questions and your contribution would be treated with utmost confidentiality and would be used to accomplish the main objective of the study.

SECTION A: TENDERING PROCEDURES

1. Which methods of tendering do you use in your organization?
   - Open □
   - Restricted □
   - Direct □
   - Negotiated □
   - Open & restricted □

2. How often does your organization use open tendering
   - Regularly □
   - Sometimes □
   - Rarely □

3. Does training/workshops on tender procedures improve performance
   - Yes □
   - No □

4. If training on tender procedures improve performance briefly explain how.
   ……………………………………………………………………………………………………………………………………………………………..
   ……………………………………………………………………………………………………………………………………………………………..
   ……………………………………………………………………………………………………………………………………………………………..
   ………………………

5. How is the conformity to tender process as stipulated in the PPDA 2005
   - Excellent □
   - Good □
   - Very good □
   - Poor □
   - Good □

SECTION B: TENDERING COMMITTEES
6. How often does the organization’s tendering committee meet

- Weekly
- Monthly
- Quartely
- Yearly
- When needed

7. How many committees does your organization have

- One
- Two
- Three
- Four
- Numerous

8. Does numerous committees have any effects in the whole tendering process?

- Yes
- No

If yes explain

………………………………………………………………………………………………
………………………………………………………………………………………………
………………………………………………………………………………………………
………………………………………………………………………………………………

9. Are there any formal training on tendering procedures?

- Yes
- No

10. How often are the formal training on tendering procedures

- □
Once per month
Twice per month  □
Once per year  □
Twice per year  □

SECTION C: ETHICAL PRACTICES

11. Any complaints received?
Yes  □
No  □

12. What are the kind of complains and grievances have you experienced.

..........................................................................................................................
..........................................................................................................................
..............

13. How do you rate the goods and services supplied in your organization in terms of quality, delivery, reliability and cost?

..........................................................................................................................
..........................................................................................................................
..........................................................................................................................
..............

SECTION D: AUTOMATED TENDERING

14. How many computers are there in your departments

2  □
3  □
4  □
5  □
several  □

15. How skilled are the IT staffs

Highly skilled  □
Not sure  □
Less trained  □
16. How many enterprise applications do you have

One  ☐

Two  ☐

Three  ☐

Four  ☐

Numerous  ☐

SECTION E: RECORD MANAGEMENT

17. Does the organization keep tendering records?

Yes  ☐

No  ☐

18. What are the methods of record keeping used in your organization?

Lock and key  ☐

Password  ☐

Both lock and key and password  ☐

19. Tendering records are kept for how long in your organization?

One year  ☐

2 years  ☐

3 years  ☐

Four years  ☐

6 years  ☐

Over six years  ☐
REFERENCES


42