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## INFLUENCE OF PUBLIC PROCUREMENT AND ASSET DISPOSAL ACT, 2015 ON PERFORMANCE OF COUNTY GOVERNMENTS IN KENYA

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### Abstract

**Purpose:** The study purpose was to examine influence of public procurement and asset disposal Act (PPADA, 2015) on performance of county governments in Kenya with an aim of making recommendations on proper use.

**Methodology:** The study employed a descriptive research design. The study was confined to seven (7) county governments in Kenya which have a budget allocation of above Ksh 10 Billion according to FY 2019/2020 budgetary allocation by the National Treasury. Data collection was from procurement officers at the various county headquarters specifically from senior to the middle levels of management. The researcher preferred this method because it allowed an in-depth study of the subject. Data was collected using self-administered questionnaires. Structured questionnaires were used to collect data. Data was analyzed using descriptive and inferential statistics. Quantitative data was analyzed using multiple regression analysis. The qualitative data generated was analyzed by use of Statistical Package of Social Sciences (SPSS) version 22

**Results and conclusion:** The findings of the study indicated that regulatory agencies, procurement methods, reservations and preferences and assets disposal have a positive relationship with performance of county governments in Kenya. The findings of the study indicated that regulatory agencies, procurement methods, reservations and preferences and assets disposal have a positive relationship with performance of county governments in Kenya

**Policy recommendation:** the study recommended that public institutions should embrace regulatory agencies, procurement methods, reservations and preferences and assets disposal so as to improve performance of county governments and further researches should to be carried out in other public institutions to find out if the same results can be obtained

**Keywords:** *regulatory agencies, procurement methods, reservations and preferences and assets disposal*

## 1.1 Introduction

Compliance to procurement Acts has remained to be a routine practice of small and well-established firms from developed and developing countries of the world. Companies that do not observe regulations of procurement Acts in any countries are likely to experience procurement planning setbacks that contribute to deteriorating performance of firms in terms of efficiency and effectiveness, return on investment, profits generated, employee motivation, diversification, product development and maintenance of service standards (Mamiro, 2020).

The earliest public procurement order was found in Syria written on a red clay tablet dates from between 2400 and 2800 B.C. The purchase order was for “50 jars of fragrant smooth oil for 600 small weights in grain”. In addition to the history of procurement was the emergence of the silk trade between China and a Greek colony in 800 B.C. (Coe, 2019).

The rise of procurement to a key function in the private and manufacturing industry in the long-term goal of considerable attention since the 1990s. Gadde and Hakansson (2020), unlike in the public sector procurement and supply chain management. While the Public Contract Law Journal dates back to 1981 and Public Procurement Law Review to 1992, both had anchorage in the legal and regulatory disciplines. It was noted that there was differentiation between public procurement and private sector procurement in the last decade (Thai & Grimm, 2001).

According to Makori (2019), public procurement systems are inherently complex and dynamic due to the multiplicity of objectives they have to achieve. Public service agencies aim at making the best use of ‘value for money’ for the members of the public this involves client satisfaction, public interest, fair play, honesty, justice and equity (Korosec & Bartle, 2020).

## 1.2 Statement of the Problem

A World Bank survey (2021), of government and civil representatives in the 60 developing countries confirmed that misappropriation of resources is one of the greatest obstacles to successful public procurement management. Public procurement systems are central to the effectiveness of development expenditure. Budgets get translated into services largely through the governments’ purchases of goods, services and works.

It is estimated that 18.42% of the world’s Gross Domestic Product (GDP) is spent through public procurement (World Bank, 2018). It is further estimated that public procurement accounts for 9%–13% of the GDP of the economies of developing countries. This statistics indicate that public procurement is very vital to government service delivery, yet constraints affect its performance.

In Kenya, county governments were expected to play a major role in the development of the country through provision of public services and should have become a strong entity in Kenya (Rotich, 2019). County governments in Kenya have been experiencing a myriad of problems including shoddy works, poor quality goods and services, inefficiency, corruption and lack of professionalism leading to waste of huge amounts of public resources (Wanyama, 2013).

An audit report by Auditor General for FY 2019/2020 in Machakos County revealed losses of Ksh 260 Million through irregular procurement of second hand vehicles. Bungoma County also experienced 40% losses in FY 2018/2019 due to misappropriation of public funds according to PPRRA (2021). The Kenyan government acknowledges that over the years there has been poor

performance in the public sector, especially in the management of public resources which has hindered the realization of sustainable economic growth (GoK, 2021).

Several studies have been done internationally, McGrath and MacMillan (2020) in the UK, did a survey of the use of their public procurement and asset disposal Act in public procurement management, and it shows that use of the Act in their processes improved performance of public agencies by 72%. Locally, studies have also been done on public procurement and asset disposal, UNHCR (2019) noted that losses as a result of public procurement in Kenya among state corporations increased from \$84 million to \$146 million, an increase from the previous year. All the above studies have been done in different contexts with varying outcomes and impacting on differently depending on the industry and the environment. It is against this backdrop that this study intends to look at the influence of public procurement and asset disposal Act (PPADA, 2015) on performance of county governments in Kenya.

### **1.3 Objectives of the Study**

- I.To assess the influence of regulatory agencies on performance of county governments in Kenya.
- II.To establish the influence of procurement methods on performance of county governments in Kenya.
- III.To determine the influence of reservations and preferences on performance of county governments in Kenya.
- IV.To evaluate the influence of assets disposal on performance of county governments in Kenya.

## **2.0 LITERATURE REVIEW**

### **2.1 Public Interest Theory**

The public interest theory was developed by A.C. Pigou (1932).The author believed that regulations are prepared in the public interest when they are requested by the public to correct inefficient practices. It is understood that regulations benefit the whole society instead of the interest of any individual. This theory has been passed down from a previous generation of economists to the current generation of lawyers.

This theory holds that regulation is provided in response to public demand for the correction of inefficient management of public procurement. It is assumed that regulators such as KISM have sufficient information and control powers to effectively promote the public interest. It also assumes that regulators are benevolent and aim to pursue public interest (Mark, 2017).

According to Stigler (2015), the fundamental theories of public interest are efficient government intervention. According to these theories, regulation increases social welfare, this theory of economic regulation is rooted in the perception that the government must intervene to regulate practices in cases where players cannot regulate themselves. Failures occur when the regulatory mechanism that regulates the procuring entities do not work, forcing the government to act.

The problem is that the improper activities resulting from such situations tend to use their power in ways that can be highly detrimental to the economy at large. This is where government regulation through PPRA becomes important (Atkinson, 2021). The general need for regular

public disclosure mechanisms by companies, makes regulation fundamental to protecting the public interest. From this point of view, regulation derives from the need to protect the public from the negative impacts of such as mismanagement of resources by procuring entities (David, 2018)..

## **2.2 Public Procurement And Asset Disposal Act (PPADA, 2015)**

### **2.2.1 Regulatory Agencies and Performance of County Governments**

According to research by Wanjohi (2018) the following key issues affected the regulation policy among the state corporations. First inadequate training of procurement staff in organization had affected the the performance of state corporations, second is incompetency of procurement staff in our organization has affected the performance of state corporations and third is failure to employ good strategic sourcing practices in organizations has affected the performance of state corporations as envisaged even as elaborated in the current PPADA of 2015 (Ogachi, 2019).

### **2.2.2 Procurement Methods and Performance of County Governments**

According to Afriyie (2015), it is a method that is appropriately used for projects that are specialized in nature, requires the safety of the public which wouldn't be safe to have a tender that is open competitive. It can also be used for projects which are urgent in nature, which has a limited number of potential contractors and lastly used mostly when using a competitive method which is open fails to award a contract for a project. Restricted tendering is mostly used when the value and the conditions are not justifiable to the open tendering where by bids are obtained directly without floating the tender to the public. Here the procuring entity uses its database of pre-qualified providers who are directly invited to tender.).

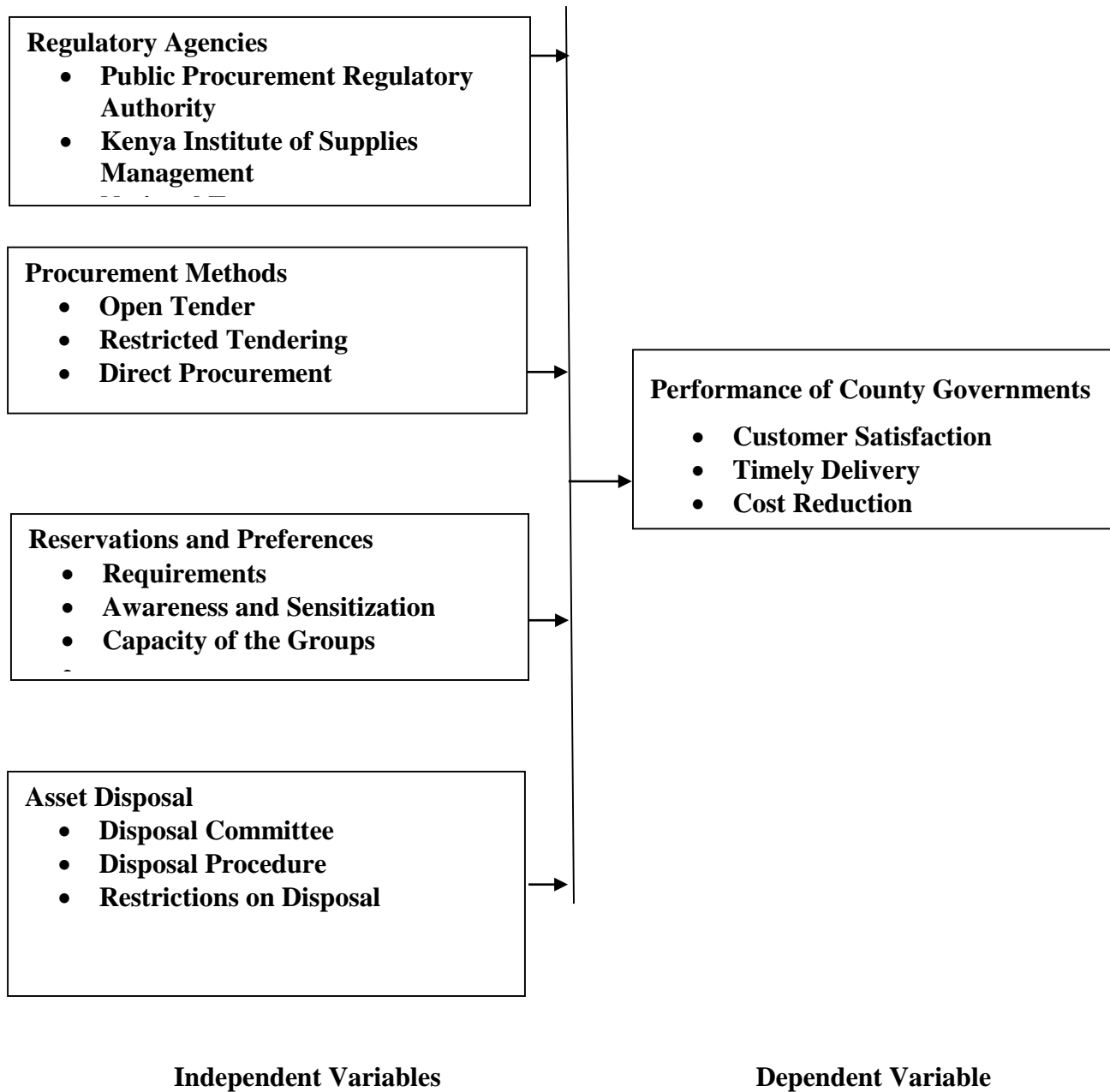
### **2.2.3 Reservations and Preferences and Performance of County Governments**

The According to Lysons et al., (2017), awareness is defined as knowing something; knowing that something exists and is important; being interested in something. Market opportunity awareness is a combination of commercial awareness and situation awareness which is defined as perception of environmental elements with respect to time and space, comprehension of their meaning and projection of their status after some variables have changed (Mahmood, 2020).

In other words, it's paying attention to what is going on around someone. This is the ability of youth to be sensitive and knowledgeable to the opportunities available within the environment at one given time (Mugerwa, 2020). Awareness precedes positive action or exploitation of opportunities presented by a market. Awareness can be as a result of internal/ personal catalyst like personal interest that may lead a person to investigate and research on a given issue or external catalyst such as training or induction education.

### **2.2.4 Assets Disposal and Performance of County Governments**

According Susan and Namusonge (2021) carried out a study on factors affecting the Rate of Assets disposal in Public Sector Organizations focusing on Yatta Sub- County- Kenya. The study adopted a census was carried out on all the 28 Government Departments whereby 60 employees who were considered to have relevant information to the study were taken as the respondents. Questionnaires, interview guide and observation schedule were used to collect data. The findings of the study indicated that, the rate of disposal in public sector organizations in Yatta sub- county was low and that the process of procurement planning for disposal was reported as long and tedious.



*Figure 1:conceptual framework.*

### 3.0 METHODOLOGY

The study employed a descriptive research design. The study was confined to seven (7) county governments in Kenya which have a budget allocation of above Ksh 10 Billion according to FY 2019/2020 budgetary allocation by the National Treasury. Data collection was from procurement officers at the various county headquarters specifically from senior to the middle levels of management. The researcher preferred this method because it allowed an in-depth study of the subject. Data was collected using self-administered questionnaires. Structured questionnaires were used to collect data. Data was analyzed using descriptive and inferential statistics. Quantitative data was analyzed using multiple regression analysis. The qualitative data generated was analyzed by use of Statistical Package of Social Sciences (SPSS) version

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y	= Performance of County Governments
$\beta_0$	= Constant
$\beta_1, \beta_2, \beta_3, \beta_4$	= Beta Coefficients
X1	= Regulatory Agencies
X2	= Procurement Methods
X3	= Reservations and Preferences
X4	= Asset Disposal
$\varepsilon$	= Error Term

## 4.0 RESULTS FINDINGS

### 4.1 Introduction

This chapter presents results arising from the analysis of data collected using questionnaires. The current study sought to establish the influence of public procurement and asset disposal Act (PPADA, 2015) on performance of county governments in Kenya. The data collected was analysed using descriptive and inferential statistics and the findings presented in tabular summaries and their implications discussed.

### 4.2 Response Rate

A sample of 124 respondents were interviewed using questionnaires that allowed the researcher to email or drop the questionnaire to the respondents and then collect them at a later date when they had filled the questionnaires. A total of 124 questionnaires were distributed to procurement officers. Out of the population covered, 100 were responsive representing a response rate of 81%. This was above the 50% which is considered adequate in descriptive statistics according to (Dunn, 2020).

**Table 1: Response Rate of Respondents**

Response	Frequency	Percentage, %
Actual Response	100	81
Non-Response	24	19
<b>Total</b>	<b>124</b>	<b>100%</b>

### 4.3 Pilot Study

The cronbach's alpha was computed in terms of the average inter-correlations among the items measuring the concepts. The rule of thumb for cronbach's alpha is that the closer the alpha is to 1 the higher the reliability (Kothari, 2018). A value of at least 0.7 is recommended. Cronbach's alpha is the most commonly used coefficient of internal consistency and stability. Consistency indicated how well the items measuring the concepts hang together as a set. Cronbach's alpha was used to measure realibility. This was done on the four objectives of the study. The higher the coefficient, the more reliable is the test.

**Table 2 Reliability Results**

Variable	No of Items	Respondents	$\alpha$ =Alpha	Comment
Regulatory Agencies	9	12	0.893	Reliable
Procurement Methods	9	12	0.987	Reliable
Reservations and Preferences	9	12	0.974	Reliable
Asset Disposal	9	12	0.976	Reliable

### 4.4 Demographic Information

This section presents the personal details of the respondents and it provides data regarding the study and is necessary for the determination of whether the individuals in a particular study are a representative sample of the target population and testing appropriateness of respondents in answering the questions for generalisation. The study sought to determine the demographic characteristics of the respondents as they are considered as categorical variables which give some basic insight about the respondents. The characteristics considered in the study were; age, their highest level of education attained and their work experience.

#### 4.4.1 Distribution of Respondents by Age

The study also determined the age of the respondents. The results are submitted in table 4.3 where the majority 53% were 31-40 years. Respondents aged between 41-50 years were 24%. Residents above 50 years accounted years accounted for 23%. The percentages may raise the issue of gender equity in public institutions in this country, but that is outside the scope of this study. A study on UK companies found that the aged and the young do not necessarily differ in their ability to



perform operational tasks, but rather bring a different perspective to procurement decision making (Eadie *et al.*, 2020).

**Table 4.3: Distribution of Respondents by Age**

Age	Frequency	Percent
31-40 Years	53	53
41-50 Years	24	24
Above 50 Years	23	23
<b>Total</b>	<b>100</b>	<b>100</b>

#### 4.4.2 Distribution of Respondents by Level of Education

The respondents were asked to state their highest level of education and the results were as captured in Table 4.4. The result in table 4.4 revealed that majority of the respondent (69%) indicated that their academic qualification was up to bachelor's level. The result further revealed that (31%) of the respondent indicated that their academic qualification was up to postgraduate level. With majority respondents having degree and above, it is expected that their level of understanding of performance of county governments is good. This is an indication that the results obtained from respondents interviewed in the present study can be relied upon. These findings concur those of George *et al.*, (2017) who established that majority of who run county governments are highly educated and that there is evidence linking education and county governments performance.

**Table 4: Distribution of Respondents by Level of Education**

Education Level	Frequency	Percent
Undergraduate	69	69
Post-Graduate	31	31
<b>Total</b>	<b>100</b>	<b>100</b>

#### 4.4.3 Distribution of Respondents by Work duration

The study determined the number of years the respondents had worked at among county governments in Kenya. The respondents were asked to indicate their work duration. The result revealed that the respondents (29%) indicated that their work duration was 3-5 years. The result also showed that (46%) of the respondent indicated that their work duration was 6-8 years. The result further revealed that (25%) of the respondent indicated that their work duration was above 9 years. The findings of the study are in tandem with literature review by Khalil (2015) who indicated that a duration and experience of employee helps him or her to have better knowledge and skills which contribute to performance.

**Table 5 Distribution of Respondents by Length of Service**

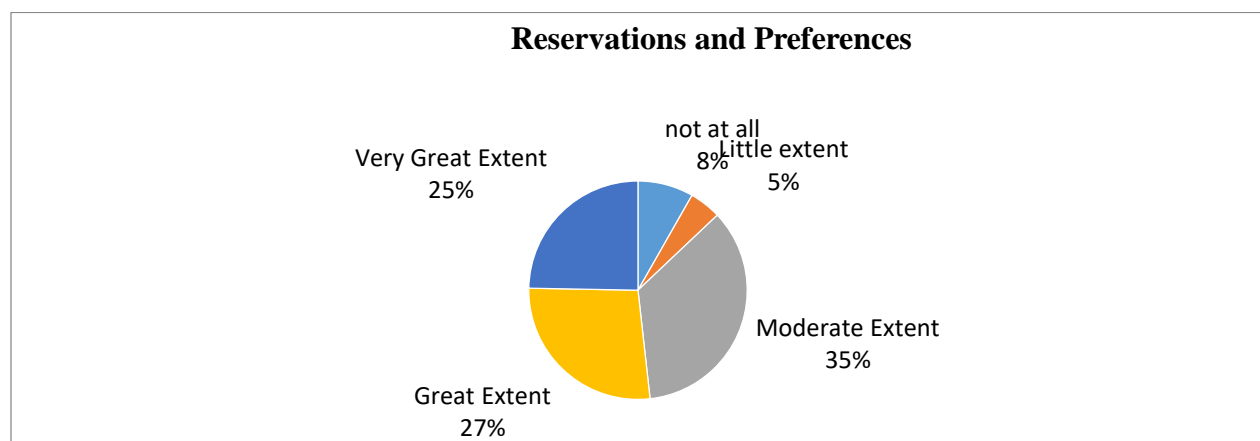
Length of Service	Frequency	Percent
3-5 Years	29	29
6-8 Years	46	46
9 Years and above	25	25
<b>Total</b>	<b>100</b>	<b>100.0</b>

#### 4.5 Descriptive Statistics

The study set out to establish the influence of public procurement and asset disposal Act (PPADA, 2015) on performance of county governments in Kenya. To this end, four variables were conceptualized as components of public procurement and asset disposal Act (PPADA, 2015) and their influence on performance of county governments in Kenya. These include; reservations and preferences, regulatory agencies, assets disposal and procurement methods.

##### 4.5.1 Reservations and Preferences

The first objective of the study was to assess the influence of reservations and preferences on performance of county governments in Kenya. The respondents were asked to indicate to what extent did reservations and preferences influence performance of county governments. Results indicated that majority of the respondents 25% agreed that it was to a very great extent, 27% said that it was to a great extent, 35% said it was moderate, while little extent and not all were at 5% and 8% respectively.

**Figure 2: Reservations and Preferences**

The respondents were also asked to comment on statements regarding reservations and preferences influence on performance of county governments in Kenya. The responses were rated on a likert scale and the results presented in Table 4.6 below. It was rated on a 5-point Likert scale ranging from; 1 = strongly disagree to 5 = strongly agree. The scores of ‘strongly disagree’ and ‘disagree’

have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of 'neutral' has been taken to represent a statement agreed upon, equivalent to a mean score of 2.6 to 3.4. The score of 'agree' and 'strongly agree' have been taken to represent a statement highly agreed upon equivalent to a mean score of 3.5 to 5.

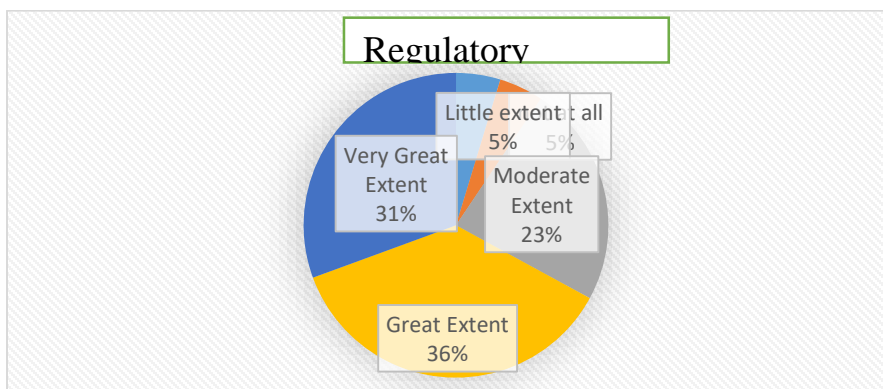
The respondents were asked to indicate their descriptive responses for reservations and preferences. The result revealed that majority of the respondent with a mean of (4.3) agreed with the statement that having requirements plays a significant role in customer satisfaction. The measure of dispersion around the mean of the statements was 1 indicating the responses were varied. The result revealed that majority of the respondent with a mean of (3.6) agreed with the statement that having awareness and sensitization plays a significant role in customer satisfaction. The measure of dispersion around the mean of the statements was 1.4 indicating the responses were varied. The result revealed that majority of the respondent with a mean of (3.8) agreed with the statement that having capacity of the groups confirmed plays a significant role in customer satisfaction. The measure of dispersion around the mean of the statements was 1.3 indicating the responses were varied. The result revealed that majority of the respondent with a mean of (3.0) agreed with the statement that having requirements plays a significant role in improving timely delivery. The measure of dispersion around the mean of the statements was 1.4 indicating the responses were varied. The result in table 4.5.1 revealed that majority of the respondent with a mean of (4.2) agreed with the statement that having awareness and sensitization plays a significant role in improving timely delivery. The measure of dispersion around the mean of the statements was 1 indicating the responses were varied. The result revealed that majority of the respondent with a mean of (3.7) agreed with the statement that having capacity of the groups confirmed plays a significant role in improving timely delivery. The measure of dispersion around the mean of the statements was 1 indicating the responses were varied. The result revealed that majority of the respondent with a mean of (3.4) agreed with the statement that having requirements plays a significant role in increasing cost reduction. The measure of dispersion around the mean of the statements was 1.3 indicating the responses were varied. The result revealed that majority of the respondent with a mean of (3.8) agreed with the statement that having awareness and sensitization plays a significant role in increasing cost reduction. The measure of dispersion around the mean of the statements was 1.2 indicating the responses were varied. The result revealed that majority of the respondent with a mean of (3.8) agreed with the statement that having capacity of the groups confirmed plays a significant role in increasing cost reduction. The measure of dispersion around the mean of the statements was 1.2 indicating the responses were varied. However, the variations in the responses were varied as shown by an average standard deviation of 1.5 and an average mean of 3.8. These findings imply that reservations and preferences were at the heart of the organizations. The findings agree with Knudsen (2015) that using reservations and preferences as per the Act is prudent and increases compliance significantly.

**Table 6: Reservations and Preferences**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
Having requirements plays a significant role in customer satisfaction	4.3	1.0
Having awareness and sensitization plays a significant role in customer satisfaction	3.6	1.4
Having capacity of the groups confirmed plays a significant role in customer satisfaction	3.8	1.3
Having requirements plays a significant role in improving timely delivery	3.0	1.4
Having awareness and sensitization plays a significant role in improving timely delivery	4.2	1.0
Having capacity of the groups confirmed plays a significant role in improving timely delivery	3.7	0.5
Having requirements plays a significant role in increasing cost reduction	3.4	1.3
Having awareness and sensitization plays a significant role in increasing cost reduction	4.1	4.3
Having capacity of the groups confirmed plays a significant role in increasing cost reduction	3.8	1.2
<b>Average</b>	<b>3.8</b>	<b>1.5</b>

#### 4.5.2 Regulatory Agencies

The second objective of the study was to investigate the influence of regulatory agencies on performance of county governments in Kenya. The respondents were asked to indicate to what extent Regulatory agencies influenced performance of county governments in Kenya. Results indicated that majority of the respondents 31% agreed that it was to a very great extent, 36% said that it was to a great extent, 23% said it was moderate, while little extent and not all tied at 5%.

**Figure 3: Regulatory Agencies**

The respondents were also asked to comment on statements regarding regulatory agencies influence on performance of county governments in Kenya. The respondents were asked to indicate descriptive responses for regulatory agencies.

The result revealed that majority of the respondents as indicated by a mean of (3.8) indicated that they agreed with the statement that existence of public procurement regulatory authority plays a significant role in customer satisfaction. The responses were varied as measured by standard deviation of 1.1. The result revealed that majority of the respondents as indicated by a mean of (3.6) indicated that they agreed with the statement that existence of Kenya institute of supplies management plays a significant role in customer satisfaction. The responses were varied as measured by standard deviation of 1.1. The result revealed that majority of the respondents as indicated by a mean of (3.7) indicated that they agreed with the statement that support from national treasury plays a significant role in customer satisfaction. The responses were varied as measured by standard deviation of 1.1.

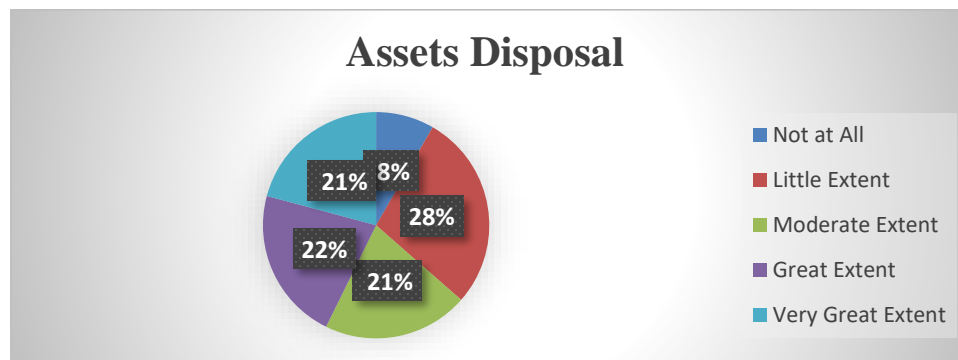
The result revealed that majority of the respondents as indicated by a mean of (3.6) indicated that they agreed with the statement that existence of public procurement regulatory authority plays a significant role in improving timely delivery. The responses were varied as measured by standard deviation of 1.2. The result revealed that majority of the respondents as indicated by a mean of (3.6) indicated that they agreed with the statement that existence of Kenya institute of supplies management plays a significant role in improving timely delivery. The responses were varied as measured by standard deviation of 1.2. The result revealed that majority of the respondents as indicated by a mean of (3.5) indicated that they agreed with the statement that support from national treasury plays a significant role in improving timely delivery. The responses were varied as measured by standard deviation of 1.4. The result revealed that majority of the respondents as indicated by a mean of (3.5) indicated that they agreed with the statement that existence of public procurement regulatory authority plays a significant role in increasing cost reduction. The responses were varied as measured by standard deviation of 1.4. The result revealed that majority of the respondents as indicated by a mean of (3.3) indicated that they agreed with the statement that existence of Kenya institute of supplies management plays a significant role in increasing cost reduction. The responses were varied as measured by standard deviation of 1.5. The result revealed that majority of the respondents as indicated by a mean of (3.6) indicated that they agreed with the statement that support from national treasury plays a significant role in increasing cost reduction. The responses were varied as measured by standard deviation of 0.5. However, the variations in the responses were varied as shown by an average standard deviation of 1.2 and an average mean of 3.6. This means that regulatory agencies are an important aspect among county governments. These findings imply that regulatory agencies were at the heart of the county governments. They agree with Lysons (2017) that organizations must comply with their regulatory agencies. The opportunities for cost savings and operational improvements can be enormous as the impact on cost reduction is considerable.

**Table 7: Regulatory Agencies**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
Existence of public procurement regulatory authority plays a significant role in customer satisfaction	3.8	1.1
Existence of Kenya institute of supplies management plays a significant role in customer satisfaction	3.6	1.1
Support from national treasury plays a significant role in customer satisfaction	3.7	1.1
Existence of public procurement regulatory authority plays a significant role in improving timely delivery	3.5	1.2
Existence of Kenya institute of supplies management plays a significant role in improving timely delivery	3.8	1.2
Support from national treasury plays a significant role in improving timely delivery	3.5	1.4
Existence of public procurement regulatory authority plays a significant role in increasing cost reduction	3.5	1.4
Existence of Kenya institute of supplies management plays a significant role in increasing cost reduction	3.3	1.5
Support from national treasury plays a significant role in increasing cost reduction	3.6	0.5
<b>Average</b>	<b>3.6</b>	<b>1.2</b>

#### 4.5.3 Assets Disposal

There was also need to establish how assets disposal influenced performance of county governments in Kenya as the third objective. The respondents were asked to comment on extent of assets disposal influence on performance of county governments. Results indicated that majority of the respondents 21% agreed that it was to a very great extent, 22% said that it was to a great extent, 21% said it was moderate; little extent was 28% and not all at 8%.

**Figure 4: Asset Disposal**

The respondents were asked to indicate their levels of agreement on statements regarding assets disposal. The results revealed that majority of the respondent (3.9) agreed with the statement that

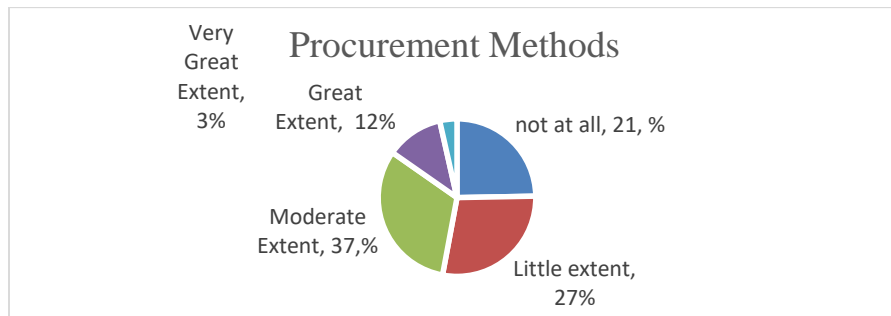
disposal committee plays a significant role in customer satisfaction. The responses were varied as shown by the standard deviation of 1.2. The results revealed that majority of the respondent (3.2) agreed with the statement that disposal procedure plays a significant role in customer satisfaction. The responses were varied as shown by the standard deviation of 1.3. The results revealed that majority of the respondent (4.0) agreed with the statement that restrictions on disposal plays a significant role in customer satisfaction. The responses were varied as shown by the standard deviation of .8. The results revealed that majority of the respondent (4.2) agreed with the statement that disposal committee plays a significant role in improving timely delivery. The responses were varied as shown by the standard deviation of .9. The results revealed that majority of the respondent (3.7) agreed with the statement that disposal procedure plays a significant role in improving timely delivery. The responses were varied as shown by the standard deviation of .5. The results revealed that majority of the respondent (2.4) agreed with the statement that restrictions on disposal plays a significant role in improving timely delivery. The responses were varied as shown by the standard deviation of 1.3. The results revealed that majority of the respondent (3.1) agreed with the statement that disposal committee plays a significant role in increasing cost reduction. The responses were varied as shown by the standard deviation of 1.2. The results revealed that majority of the respondent (3.2) agreed with the statement that disposal procedure plays a significant role in increasing cost reduction. The responses were varied as shown by the standard deviation of 1.3. The results revealed that majority of the respondent (3.5) agreed with the statement that restrictions on disposal plays a significant role in increasing cost reduction. The responses were varied as shown by the standard deviation of 1.3. The average mean of all the statements was 3.7 indicating that majority of the respondents agreed on assets disposal influence on performance of county governments in Kenya. However, the variations in the responses were varied as shown by a standard deviation of 1.1. These findings imply that through assets disposal, companies can improve competitive positioning (Maina, 2018).

**Table8: Asset Disposal**

<b>Statements</b>	<b>Mea n</b>	<b>Std. Deviation</b>
Disposal committee plays a significant role in customer satisfaction	3.9	1.2
Disposal procedure plays a significant role in customer satisfaction	3.2	1.3
Restrictions on disposal plays a significant role in customer satisfaction	4.0	0.8
Disposal committee plays a significant role in improving timely delivery	4.2	0.9
Disposal procedure plays a significant role in improving timely delivery	3.7	0.5
Restrictions on disposal plays a significant role in improving timely delivery	2.4	1.3
Disposal committee plays a significant role in increasing cost reduction	3.1	1.2
Disposal procedure plays a significant role in increasing cost reduction	3.2	1.3
Restrictions on disposal plays a significant role in increasing cost reduction	3.5	1.3
<b>Average</b>	<b>3.7</b>	<b>1.1</b>

#### 4.5.4 Procurement Methods

There was also need to establish how procurement methods influences performance of county governments in Kenya. The respondents were also asked to comment on statements regarding procurement methods influenced performance of county governments. Results also showed that 3% of respondents indicated to very great extent, great extent was at 12%, moderate extent was 37%, while little extent was at 27% and not at all was at 21%.



**Figure 5: Procurement Methods**

The respondents were asked to indicate the descriptive responses for procurement methods. The result revealed that majority of the respondents (3.2) agreed with the statement that using open tender plays a significant role in customer satisfaction. The responses were varied as shown by a standard deviation of 1.3. The result revealed that majority of the respondent (3.2) agreed with the statement that using restricted tendering plays a significant role in customer satisfaction. The responses were varied as shown by a standard deviation of 1. The result revealed that majority of the respondent (4.3) agreed with the statement that using direct procurement plays a significant role in customer satisfaction. The responses were varied as shown by a standard deviation of 1. The result revealed that majority of the respondent (4.2) agreed with the statement that using open tender plays a significant role in improving timely delivery. The responses were varied as shown by a standard deviation of 0.8. The result revealed that majority of the respondent (4.1) agreed with the statement that using restricted tendering plays a significant role in improving timely delivery. The responses were varied as shown by a standard deviation of 1. The result revealed that majority of the respondent (4.2) agreed with the statement that using direct procurement plays a significant role in improving timely delivery. The responses were varied as shown by a standard deviation of 0.8. The result revealed that majority of the respondent (4.4) agreed with the statement that using open tender plays a significant role in increasing cost reduction. The responses were varied as shown by a standard deviation of 0.6. The result revealed that majority of the respondent (4.4) agreed with the statement that using restricted tendering plays a significant role in increasing cost reduction. The responses were varied as shown by a standard deviation of 0.6. The result revealed that majority of the respondent (4.4) agreed with the statement that using direct procurement plays a significant role in increasing cost reduction. The responses were varied as shown by a standard deviation of 0.7. The average mean response for the statements on electronic sourcing was 4.4 indicating there was agreement on electronic sourcing, the variations in the responses was 0.9. This means procurement methods are paramount



in all county governments. The results imply that an organization benefits greatly when proper procurement methods are embraced (Bird, 2019).

**Table 9: Procurement Methods**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
Using open tender plays a significant role in customer satisfaction	3.2	1.3
Using restricted tendering plays a significant role in customer satisfaction	2.9	1.0
Using direct procurement plays a significant role in customer satisfaction	4.3	0.9
Using open tender plays a significant role in improving timely delivery	4.3	0.9
Using restricted tendering plays a significant role in improving timely delivery	4.1	1.0
Using direct procurement plays a significant role in improving timely delivery	4.2	0.8
Using open tender plays a significant role in increasing cost reduction	4.4	0.6
Using restricted tendering plays a significant role in increasing cost reduction	4.4	0.7
Using direct procurement plays a significant role in increasing cost reduction	4.4	0.6
<b>Average</b>	<b>4.4</b>	<b>0.9</b>

#### 4.5 Correlation Analysis

Correlation analysis was used to determine both the significance and degree of association of the variables and also predict the level of variation in the dependent variable caused by the independent variables in table 10.

**Table 10: Summary of Pearson's Correlations**

Correlations		Reservations and Preferences	Regulatory Agencies	Asset Disposal	Procurement Methods	Performance of County Governments
Reservations and Preferences	Pearson Correlation	1				
	Sig. (2-Tailed)					
Regulatory Agencies	Pearson Correlation	.372**	1			
	Sig. (2-Tailed)	0				
Asset Disposal	Pearson Correlation	.353**	.449**	1		
	Sig. (2-Tailed)	0	0			
Procurement Methods	Pearson Correlation	.363**	.771**	.547**	1	
	Sig. (2-Tailed)	0	0	0		
Performance of County Governments	Pearson Correlation	.556**	.662**	.703**	.691**	1
	Sig. (2-Tailed)	0	0	0	0	

\*\* Correlation is Significant at the 0.05 Level (2-Tailed).

The correlation summary shown in Table 4.10 indicated that the associations between each of the independent variables and the dependent variable were all significant at the 95% confidence level. The correlation analysis to determine the relationship between the reservations and preferences and performance of county governments in Kenya, Pearson correlation coefficient computed and tested at 5% significance level. The results indicate that there was a positive relationship ( $r=0.556$ ) between the reservations and preferences and performance of county governments in Kenya. In addition, the researcher found the relationship to be statistically significant at 5% level ( $p=0.000$ ,

<0.05). The correlation analysis to determine the relationship between the regulatory agencies and performance of county governments in Kenya, Pearson correlation coefficient computed and tested at 5% significance level. The results indicated that there was a positive relationship ( $r=0.662$ ) between the regulatory agencies and performance of county governments in Kenya. In addition, the researcher found the relationship to be statistically significant at 5% level ( $p=0.000$ ,  $<0.05$ ).

The correlation analysis to determine the relationship between assets disposal and performance of county governments in Kenya, Pearson correlation coefficient computed and tested at 5% significance level. The results indicate that there was a positive relationship ( $r=0.703$ ) between assets disposal and performance of county governments in Kenya. In addition, the researcher found the relationship to be statistically significant at 5% level ( $p=0.000$ ,  $<0.05$ ). The correlation analysis to determine the relationship between procurement methods and performance of county governments in Kenya, Pearson correlation coefficient computed and tested at 5% significance level. The results indicate that there was a positive relationship ( $r=.691$ ). In addition, the researcher found the relationship to be statistically significant at 5% level ( $p=0.000$ ,  $<0.05$ ). Hence, it was evident that all the independent variables could explain the changes in the performance of county governments in Kenya, on the basis of the correlation analysis.

#### 4.7 Regression Analysis

In this study multivariate regression analysis was used to determine the significance of the relationship between the dependent variable and all the independent variables pooled together. Table 11 presented the regression coefficient of independent variables against dependent variable. The independent variables reported R value of 0.846 indicating that there was perfect relationship between dependent variable and independent variables. R square value of 0.715 means that 71.5% of the corresponding variation in performance of county governments in Kenya can be explained or predicted by (reservations and preferences, regulatory agencies, assets disposal and procurement methods) which indicated that the model fitted the study data. The results of regression analysis revealed that there was a significant positive relationship between dependent variable and independent variable at ( $\beta=0.715$ ),  $p=0.000$   $<0.05$ ).

**Table 11: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.846 <sup>a</sup>	.715	.703	.14869

Predictors: (Constant), Reservations and Preferences, Regulatory Agencies, Asset Disposal and Procurement Methods

Dependent Variable: Performance of County Governments

**Table 12: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.002	4	1.251	59.698	.000 <sup>b</sup>
	Residual	1.990	95	0.021		
	Total	6.992	99			

Predictors: (Constant), Reservations and Preferences, Regulatory Agencies, Asset Disposal and Procurement Methods

Dependent Variable: Performance of County Governments

The significance value is 0.000 which is less than 0.05 thus the model is statistically significant in predicting reservations and preferences, regulatory agencies, assets disposal and procurement methods influence performance of county governments in Kenya. The F critical at 5% level of significance was 28.61. Since F calculated which can be noted from the ANOVA table above is 59.69 which is greater than the F critical (value= 28.61), this shows that the overall model was significant. The study therefore establishes that; reservations and preferences, regulatory agencies, assets disposal and procurement methods were all important public procurement and asset disposal Act (PPADA, 2015) practices influencing performance of county governments. These results agree with Odhiambo and Kamau (2018) results which indicated a positive and significant influence of public procurement and asset disposal Act (PPADA, 2015) on performance of county governments.

**Table 13: Coefficients of Determination**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.07	0.193		10.725	0.000
	Reservations and Preferences	0.166	0.041	0.255	4.048	0.000
	Regulatory Agencies	0.138	0.053	0.235	2.603	0.001
	Assets Disposal	0.119	0.021	0.398	5.667	0.000
	Procurement Methods	0.09	0.043	0.201	2.093	0.037

Predictors: (Constant), Reservations and Preferences, Regulatory Agencies, Asset Disposal and Procurement Methods

Dependent Variable: Performance of County Governments

The research used a multiple regression model

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

The regression equation will be;

$$Y=2.07+ 0.166X_1 + 0.138X_2 + 0.119X_3 + 0.09X_4$$

The regression equation above has established that taking all factors into account (reservations and preferences, regulatory agencies, assets disposal and procurement methods) constant at zero, performance of county governments in Kenya will be an index of 2.07. The findings presented also shows that taking all other independent variables at zero, a unit increase in reservations and preferences will lead to a 0.166 increase in performance of county governments. The P-value was 0.000 which is less 0.05 and thus the relationship was significant.

The study also found that a unit increase in regulatory agencies will lead to a 0.138 increase in performance of county governments in Kenya. The P-value was 0.00 and thus the relationship was significant. In addition, the study found that a unit increase in assets disposal will lead to a 0.119 increase in the performance of county governments in Kenya. The P-value was 0.000 and thus the relationship was significant.

Lastly, the study found that a unit increase in procurement methods will lead to a 0.09 increase in the performance of county governments in Kenya. The P-value was 0.00 and hence the relationship was significant since the p-value was lower than 0.05. The findings of the study show that, reservations and preferences contributed most to the performance of county governments in Kenya.

## 5. 0 CONCLUSION AND RECOMMENDATIONS

Based on the study findings, the study concludes that performance of county governments can be improved by reservations and preferences, regulatory agencies, assets disposal and procurement methods. First, in regard to reservations and preferences, the regression coefficients of the study show that it has a significant influence on performance of county governments. This implies that increasing levels of reservations and preferences allocation by a unit would increase the levels of performance of county governments. This shows that reservations and preferences have a positive influence on performance of county governments.

Second in regard to regulatory agencies, the regression coefficients of the study show that it has a significant influence on performance of county governments. This implies that increasing levels of compliance with regulatory agencies by a unit would increase the levels of performance of county governments. This shows that regulatory agencies has a positive influence on performance of county governments.

With regard to assets disposal, the regression coefficients of the study show that it has a significant influence on performance of county governments. This implies that increasing levels of assets disposal by a unit would increase the levels of performance of county governments. This shows that assets disposal has a positive influence on performance of county governments.

Lastly, in regard to the fourth objective, the regression coefficients of the study show that it has a significant influence on performance of county governments. This implies that increasing levels of procurement methods by a unit would increase the levels of performance of county governments. This shows that procurement methods have a positive influence on performance of county governments.

Drawing on this study, lack of reservations and preferences, regulatory agencies, assets disposal and procurement methods in county governments is leading to poor performance. Though the county governments are striving hard to improve their performance there are still issues of poor-quality products, long lead time and high cost of products. Thus, it is evident that all the independent variables identified in this study were all important public procurement and asset disposal Act (PPADA, 2015) aspects that influenced the performance of county governments.

To ensure that county governments have better performance they should focus more on regulations bodies so as to ensure compliance with regulations. In the same regard, they should involve the regulatory bodies, to build their capacities to enable them to comply appropriately.

With regard to the second objective, it would be constructive for county governments to embrace different procurement methods This should be done consistently and appropriately to ensure value for money. In relation to assets disposal, the organizations should embrace disposal committees and restrictions on disposal while dealing with their obsolescent items so as to have more improved and prompt disposals.

Concerning reservations and preferences, there is need for county governments to always set aside a substantial part of their resources for activities that spend a huge amount of total resources, and this entails allocating the appropriate percentage of works to special groups. This is because decisions made here have major effects on the rest of the sourcing process.

The study recommends that procurement staff in county governments should ensure that they strictly follow procurement procedures to ensure that goods supplied are of the right quality, in the right quantity, at the right time, to the right place from the right source. This will aim at satisfaction of customers in terms of cost, quality, and timeliness of the delivered product or service, minimizing administrative operating costs.

### **Areas for Further Research**

The study is a milestone for further research in the field of performance of county governments in Africa and particularly in Kenya. The findings demonstrated the important public procurement and asset disposal Act (PPADA, 2015) aspects to the performance of county governments to include; reservations and preferences, regulatory agencies, assets disposal and procurement methods. The current study obtained an R<sup>2</sup> of 71.5% and should therefore be expanded further in future in order to include other public procurement and asset disposal Act (PPADA, 2015) aspects that may as well have a positive significance to performance of county governments. Existing literature indicates that as a future avenue of research, there is need to undertake similar research in other institutions and organizations in Kenya and other countries in order to establish whether the explored public procurement and asset disposal Act (PPADA, 2015) aspects herein can be generalized to affect performance in other institutions

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