



## **EFFECT OF PUBLIC PROCUREMENT REFORMS ON PERFORMANCE OF MERU COUNTY GOVERNMENT, KENYA**

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### **Abstract**

*The goal of this research was to see how public procurement reforms affect the performance of Meru County Government. The study looked into the impact of preference and reservations, technology adoption, contract management, and inventory management on county government performance in Kenya, with a particular focus on Meru County Government, Kenya. The study used an explanatory research design to help describe the phenomenon under research. The study's target population was 137 participants. The sample size was 101 (n=101), with representatives from procurement, finance, and economic planning, as well as Chief Officers, Departmental Directors, and their deputies. For the final sampled subjects, stratified and simple random sampling was used. Primary data was collected from respondents via questionnaires, and was analyzed using SPSS version 28 quantitatively. To determine the relationship between the study variables, regression was used. According to the findings, there is a significant positive link between preference & reservations and performance; there is a significant positive link between technology adoption and performance; there is a significant positive link between contract management and performance; and there is a significant positive link between inventory management and performance. As such, the study concluded that performance of the county government of Meru is expected to grow for every unit increase in preference & reservations, technology adoption, contract management and inventory management. Finally, the study recommends that the regulations be strengthened by issuing guiding principles to*

*county governments about how to advertise as well as evaluate bids which are submitted by preference and reservation groups. According to the findings of the study, the constraints in the successful execution of reforms in public procurement operations in the precise details of preferences and reservations, technology adoption, contract management, and inventory management should be minimized so that the County Government of Meru can achieve optimal value for money and budget absorption.*

*Keywords: Preference and reservations, Technology adoption, Contract management, Inventory management, and public procurement reforms*

## **INTRODUCTION**

According to De Mariz, Ménard, and Abeillé (2014), during the course of the previous decade, a wide variety of legal as well as institutional reforms have been implemented in developing countries in an effort to improve the process of public procurement. These reforms were put into place in an effort to make the public procurement process more transparent and accountable. At the present time, public procurement has arisen as a subject of public dialogue and deliberations in many nations, and it has been exposed to modifications, restructuring, and the adoption of new rules and regulations (Kusi, Aggrey & Nyarku, 2014). Effective governance of the public sector is the root cause of many of the most critical challenges confronted by both developed and developing countries (Adusei & Awunyo-Vitor, 2015). Transparency and predictability of decision-making processes, as well as oversight measures (checks and balances) to guard against arbitrariness and promote accountability in the use of public resources, are all important aspects of a public sector that functions effectively. Checks and balances are designed to guard against arbitrary decisions and promote accountability in the use of public resources (Nurmandi & Kim, 2015). These monitoring technologies, on the other hand, do not eliminate the requirement for flexibility and delegating in order to respond quickly to shifting circumstances.

Ever since late 1980s and early 1990s, the debate concerning public sector management changes and the promotion of good governance has been a hot topic among donor agencies, academia, and politicians. Specifically, the debate has centered on the promotion of good governance (Gisselquist, 2012). A number of different reforms have been attempted, with mixed levels of success and failure for each one. According to De Mariz, Ménard, and Abeillé (2014), since the late 1990s, public procurement reforms have been at the forefront of comprehensive efforts to reform the public sector in Africa. The growing number of actors in public procurement, the constraints on government operations to cut costs, the greater

need for accountability and openness from taxpayers, and the growing link between public procurement and trade and investment are some of the factors that have combined to rekindle interest in public procurement. Other factors that have combined to rekindle interest in public procurement include the influence of world-class management philosophies, the shifting roles of the public sector, and the broader drive for efficiency (Basheka, 2009).

As shown by Prier and McCue (2009), traditionally, public enterprises have dealt with big budgets and made purchases in bulk. On the other hand, in order to guarantee that public procurement is carried out in a manner that is congruent with professional ethics, a number of countries across the globe have carried out reforms regarding procurement (Prier, Schwerin & McCue, 2016). This has been achieved through the utilization of a number of different legal frameworks that are founded on the aims of greater transparency, value for public expenditures, and the development of staff competency (Prier, McCue, & Csáki, 2020). These alterations were made with the intention of enhancing the effectiveness of government procurement processes on both the national and subnational levels.

Every procuring entity in Kenya is required to make sure that thirty percent of the value of their annual procurement is distributed to youths, people with disabilities, and younger people at the beginning of each fiscal year (Mwangi, 2019). It is a requirement that every county in Kenya comply to the preference and reservation systems, which ensure that a minimum of 20 percent of public procurement is reserved for county inhabitants. This obligation is placed on the counties by the central government of Kenya. Every dollar that is contributed to a business that is owned and operated by women, individuals with disabilities, or young people is required to be put into an account that requires the signature of a woman, individual with a disability, or young person (Arunga & Paul, 2019).

In addition, the management of public expenditures in Kenya is computerized using the Integrated Financial Management Information System (IFMIS), which is used by both the national government and local governments (Kahari, Gathogo & Wanyoike, 2015). It assists the government in increasing revenue, managing and allocating limited public resources, and improving the overall performance of public services (Langat, 2016). The procurement process has been automated by IFMIS in order to provide control and management throughout the entirety of the process. This was accomplished by boosting rule adherence as well as fairness, competitiveness, and equity (Muriithi & Wamiori, 2020).

Similarly, Kenya's procurement system wastes billions of dollars annually due to inefficient ways of contract management, which is a major source of the problem (Waigwa & Njeru, 2016). Contract modifications are commonplace across all levels of government, including county governments, as a result of unforeseen barriers or changes in user needs. The

law provides that the total amount of any changes cannot be more than ten percent of the original contract price for products and services, and fifteen percent of the original contract price for works, in order to reduce the likelihood that this will occur (Manual for Procurement and Management of Projects, 2017). Any modifications to the prices that are to be implemented during the term of the contract are required to be justified by reference to either the consumer price index (CPI) or the inflation rate that is issued by the Central Bank of Kenya. Because variations might lead to problems, they need to be properly managed in order to avoid lawsuits that are both expensive and time consuming (Thuo & Njeru, 2014).

The term "inventory management" refers to all of the activities that are involved in establishing and maintaining appropriate inventory levels (Lynch & Angel, 2013). Techniques for managing inventory that are effective ensure that the company does not overstock (overstock) or understock (understock) any of its products (Wahome, 2013). This is important in order to retain sufficient supply on hand in order to meet the needs of customers on schedule and to avoid stockouts, which could cause production to come to a halt (Kimaiyo & Ochiri, 2014). According to Fernández-Villaverde and Guerrón-research Quintana's (2020), keeping inventory on hand is a necessary evil that must be endured in order to combat the unpredictability of customer demand. The legislation prohibits public officials from allowing stores to degrade and excessive purchase of goods in excess of the required quantity. Additionally, the law prohibits public officials from enabling excessive procurement of goods. Despite the implementation of a regulatory framework for public procurement, counties in Kenya continue to struggle with difficulties related to inventory management.

Despite the fact that these studies were carried out in Kenya and focused on how reforms in public procurement have boosted procurement efficiency in Kenya's devolution, they were based on the Public Procurement and Disposal Act (PPDA) of 2005, which has since been repealed. As a direct result of this, the purpose of this study is to analyze the effect that public procurement reforms have had on the efficiency of procurement in the county governments of Kenya, with a specific emphasis placed on the Meru County Government. The implications of professionalism, openness, and accountability will be dissected, along with the implementation of IFMIS and the procurement regulatory framework. Nevertheless, given that it is founded on the Public Procurement and Asset Disposal Act (PPADA) of 2015, the study will make an effort to fill a void (gap) in the existing body of research.

### **Statement of the Problem**

The goal of public procurement reforms was to increase the efficiency of government procurement at both the national and subnational levels by rationalizing the procurement

function and implementing expedited procurement, as well as intensifying or adopting better accountability and transparency standards (PPOA, 2010). The successful implementation of such reforms will indeed result in enormous savings in public funds while also making sure that procurement processes are characterized by quality as well as delivery of services to citizens (Otieno, 2015). However, the majority of Kenya's county governments are underperforming. This deterioration in performance can be attributed to the difficulties in executing public procurement reform efforts in counties (Odhiambo, Ngacho & Nyaboga, 2020). In addition, procurement at the county government level has performed poorly despite the adoption of procurement reforms. Significantly, while these challenges continue to plague both levels of government. D'Arcy and Cornell (2016) found that they are now most pronounced at the devolved units of governance.

As a result, it was discovered that the procurement department was responsible for the majority of the corruption-related and delayed procurement incidents (EACC, 2015). Bribery, the tampering or doctoring of candidates' documents, inflation or rising prices, bid rigging, and both conflict of interest and political interference in tender awarding were all examples of corruption (Njoroge & Ngugi, 2016). The previous administration's high level of corruption and lack of transparency in the awarding of tenders has left the current executive arm of this particular County Government with pending invoices totaling Kshs. 1.3 billion (Matasio, 2017).

There have been a number of different reforms implemented, but there have been very little of empirical research done to evaluate how effective they are (Cherotich, 2018). Research findings from such as Ngari (2012) on the effects of Kenya's public procurement and disposal act on parastatal procurement; Machoka (2016) on public procurement practices and performance of selected constituency development fund projects in Kenya; and Cherotich (2018) on the impact of procurement procedures on county government performance in Kenya: a cascading analysis are some examples of the types of research that have been conducted on this topic. This study would fill gaps by analyzing the effect that public procurement reforms have had on the performance of procurement decisions made by Kenyan county governments, with a specific emphasis on the Meru County Government.

### **Objectives of the Study**

1. To evaluate the effect of preference and reservations on performance of Meru County Government, Kenya.
2. To assess the effect of technology adoption on performance of Meru County Government, Kenya.

3. To determine the effect of contract management on performance of Meru County Government, Kenya.
4. To examine the effect of inventory management on performance of Meru County Government, Kenya.

### **Research Hypotheses**

H<sub>01</sub>: Preference and reservations have no significant effect on performance of Meru County Government, Kenya.

H<sub>02</sub>: Technology adoption has no significant effect on performance of Meru County Government, Kenya.

H<sub>03</sub>: Contract management has no significant effect on performance of Meru County Government, Kenya.

H<sub>04</sub>: Inventory management has no significant effect on performance of Meru County Government, Kenya.

## **LITERATURE REVIEW**

### **Theoretical Review**

#### ***Public Interest Theory of regulation***

According to the public interest theory, which was initially established by Arthur Cecil Pigou in 1932, regulation is supplied as a response to public demand for the correction of inefficient or inequitable market practices. This is the case because of the public interest theory (Hawkins, 2020). According to the theory, in order to achieve efficiency, regulations governing resource sharing need to be drafted in order to properly manage it (Thairu & Chirchir, 2016). At first, it is believed that regulation will be of value to society as a whole rather than to particular vested interests (Deegan & Unerman, 2011). It is generally accepted that the government should reflect the interests of the society in which it operates, as opposed to the private interests of the numerous regulators. It is suggested that government regulation plays a significant part in the process of developing efficiency by removing imperfect competition from the market (Thairu & Chirchir, 2016). Regulation from the state is one method that can be utilized to achieve efficiency in the distribution of resources (Shubik, 1970).

Under reservation systems, some of the tactics used to execute preferred procurement rules include setting asides of resources, establishing qualification requirements, and imposing contractual limits (Watermeyer, 2003). On the supply side, putting preferred procurement policies into action may involve using broad assistance as one of the implementation methods. This makes it possible for members of specific demographics, such as teenagers, women,

individuals with disabilities, and micro and small firms, to compete for contracts without receiving any special consideration during the procurement process (Simayi, 2005). When it comes to public procurement, this approach will offer light on how the government profiles and considers youth, women, persons with disabilities, and micro and small companies. They will be assisted and encouraged to participate in government contracting as its primary objective.

### ***Technology Diffusion Theory***

The technology diffusion theory is a lens through which theorists examine the process through which new ideas are adopted and developed. Diffusion is the process through which individuals or members of a society adopt and acknowledge a new innovation as beneficial to themselves or to the society as a whole. The Diffusion Theory is a group of sub-hypotheses that examines the adoption process as a whole. It is a collection of theories. The most influential review of diffusion research was provided by Rogers (1995), in which he classified diffusion as being composed of the following four elements: Adopters are people or organizations that recognize the originality of a notion, action, or thing. Communication channels are defined as the means through which an invention is transferred from one individual to the next or from one group to another (Orr, 2003).

The non-spatial timescale in which the event known as diffusion takes place is referred to as time. The events consist of the following: the spread of innovation; the amount of time it takes for an individual or a group to adopt the innovation; and the social system, which is a collection of interconnected units engaging in cooperative problem-solving activities in order to accomplish the objectives (Wani & Ali, 2015). The revolution in technology has had an effect on purchasing; the drivers for change in the purchasing function must include the goals of eliminating paper transactions and replacing them with a secure system that allows for procure to pay as an objective of a world-class procurement that is seen to improve procurement performance; this is an objective of a world-class procurement that is seen to improve procurement performance (Lysons & Farrington, 2012). The Technology Diffusion hypothesis is an essential component of the move toward world-class procurement since it guides organizations through the process of initiating change and incorporating new technologies in procurement.

### ***Stakeholder Management Theory***

According to the findings of academics, the publication that is credited with popularizing stakeholder theory and literature in the field of management is Edward Freeman's book "Strategic Management: Stakeholder Management Approach," which was published in 1984.

According to the stakeholder theory, a company or organization ought to take into account the points of view of a much bigger group of people known as stakeholders (Wu, 2012). The necessity to take into account all stakeholders was the impetus for the development of stakeholder theory, which is primarily concerned with the management of stakeholder interactions and competing interests (Preble, 2005).

The organization will not be able to accomplish its objectives unless the stakeholders provide their participation, knowledge, expertise, skills, talents, and commitment (Nikolova & Arsi, 2017). Stakeholder interactions influence a variety of outcomes through the processes of consultation, communication, negotiation, and compromise, as well as relationship building (Amaeshi & Crane, 2009). For businesses to comprehend and address the genuine concerns of their stakeholders, they require an effective stakeholder engagement technique (Salvioni & Bosetti, 2014). In addition, the corporate strategy of a company is directly influenced by the variety of stakeholders involved as well as the manner of resource management that is implemented.

### ***Theory of Constraints***

Eliyahu M. Goldratt developed a method of management that he called the theory of constraints (TOC), which is also known as the theory of constraints. Its purpose is to assist businesses in achieving their objectives during the course of their existence. The TOC, often referred to as the TOC, is a management framework that enables any system that can be managed to be constrained in some manner by a relatively limited number of additional requirements in order to accomplish more of its goals. This framework is sometimes referred to as the TOC. There is always at least one constraint, and TOC employs a targeted approach to uncover it and rearrange the structure around it. There is always at least one limitation.

If one were to believe in anything resembling a theoretical model of constraints, then they should place their primary focus on effectively controlling the capacity and capabilities of these limitations if they wish to improve the operational performance of their organization (Gupta & Boyd, 2008). This objective may become accessible through the establishment of productive systems for the management of inventories. When it comes to achieving the level of system synchronization that is necessary for integrated inventory movements, businesses have had a difficult time investing in the necessary technological advancements and organizational structure changes. This has made it difficult for businesses to integrate their inventory. This synchronization is essential in order to present the most recent status of the system (Fawcett, Ogden, Magnan, & Cooper, 2006). According to the theoretical framework known as the Theory



of Constraints, effective stock control strategies are an essential part of achieving optimal levels of operational efficiency, effectiveness, and performance (Cox & Schleier, 2010).

### **Public Value Theory**

Moore's (1995) public value theory is predicated on the idea that the primary objective of the government is to create something that the general populace views as beneficial to them. Moore (1995) asserts that the only way this can be accomplished is by concerted efforts whose primary goal is to reorganize publicly traded corporations in a way that raises the value of their stock to the general public. In addition, Williams and Shearer (2011), who are advocates of the public value theory, assert that the theory benefits managers working in the public sector who, despite being confronted with a large number of obstacles, are tasked with the responsibility of making procurement decisions that significantly improve the lives of the general public. This first approach to the idea of public value is predicated on the hypothesis that value is created or generated as a result of the activities carried out by public institutions and the managers of those institutions (Benington & Moore, 2010).

This theory will be used in the study to determine whether or not procurement managers and other personnel in the procurement department at county governments follow procurement reforms, as well as how the implementation of procurement reforms impacts the efficiency of the procurement process. This is due to the fact that procurement managers and personnel working under their supervision control the bidding process, which in turn has an impact on the quality of both the items produced by suppliers and the services offered. However, procurement managers and employees should go above and beyond since they are obligated to avoid political decisions by focusing on what the public values. This requires them to go above and beyond.

### **Conceptual Framework**

Diagrammatic representations are used to illustrate the connection between the independent (predictor) variables of preferences and reservations, adoption of technology, contract management, and inventory management, and the predicted (dependent) variable of county government performance in Kenya. According to the researcher, the following is how the link between the variables should be conceptualized. This is seen in figure 1.

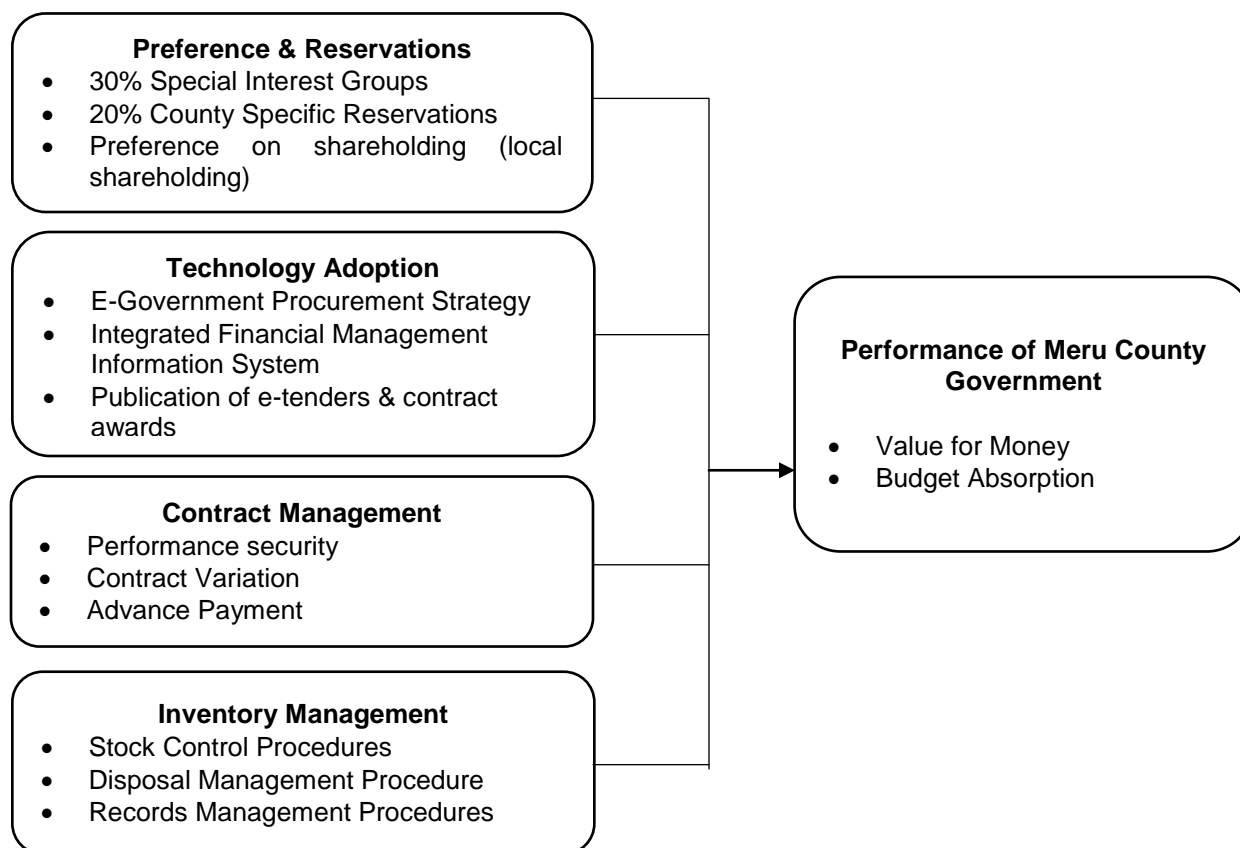


Figure 1: Conceptual Framework

## Review of Study Variables

### *Preference and Reservations*

A designated target group of tenderers located inside a certain threshold or territory and given exclusive priority to acquire products, works, and services is what is meant by the term "reservations" (Public Procurement and Asset Disposal Act, 2015). Article 227 of the new constitution that was ratified in Kenya in 2010 stipulates that all public institutions, including state organs, are required to conduct procurement of goods and services for the public in an open and transparent way. Access to Government Procurement Opportunities (AGPO) is a law that was enacted by the federal government with the intention of easing the participation of youth, women, people with disabilities, and other marginalized groups in the public procurement process. AGPO is supported by two pieces of legislation: the Preference and Reservation Regulations (2011) and the Public Procurement Asset and Disposal Act (2015). (Owiti, 2018).

Each and every procuring authority in Kenya is required to ensure that thirty percent of the value of their procurement is distributed to women, those with disabilities, and young people during each and every fiscal year (Mwangi, 2019). It is mandatory for each county in Kenya to

adhere to the preference and reservation procedures, which ensures that at least 20 percent of the available jobs in public procurement are set aside for residents of the county. Every dollar that is disbursed to a business that is owned by women, individuals with disabilities, or young people is required to be deposited into an account that requires a signature from either a woman, an individual with a disability, or a young person (Arunga & Paul, 2019).

It is required by Section 155 (5) of the PPADA 2015 that the accounting officer of a procuring body allot a constant of proportionality of its procurement spending plan, not less than 30 percent, for marginalized groups. Additionally, the accounting officer is required to comply with the provisions of the Act as well as the regulations and rules regarding reservations and preferences while handling procurement. In addition to the need that the accounting officer ensure that marginalized groups receive the same preferences and reservations as other groups, this requirement stipulates that the accounting officer must comply with this requirement. Within the first sixty days of the new fiscal year, all procuring agencies are required to submit to the officials of the Public Procurement Regulatory Authority (PPRA) the section of their final procurement plan that describes in detail the implementation of reservation and/or preference schemes to the procurement budgets.

### ***Technology Adoption***

E-tendering, e-sourcing, and e-collaboration are a few of the types of e-procurement that are utilized during the procurement process. These three types of e-procurement, along with others like them, help to streamline the public procurement process and bring it to a conclusion more quickly thanks to the electronic government procurement (E-GP) approach (Kathure & Mukulu, 2018). E-Government Procurement (E-GP) is a method that increases accessibility, boosts competition, automates processes to enhance efficiency, and increases openness and accountability, all of which contribute to an improvement in the performance of public procurement. The plan for electronic government procurement implements the appropriate policies and legal framework to ensure that effective purchasing will take place (Muchiri, Bosire & Kemei, 2015).

Public expenditure management in Kenya is computerized through the use of the Integrated Financial Management Information System (IFMIS) by both the national government and local governments (Kahari, Gathogo & Wanyoike, 2015). It provides assistance to the government in increasing revenue, effectively managing and distributing limited public resources, and enhancing the quality of service delivery (Langat, 2016). IFMIS has automated procurement in order to ensure control and management across the entirety of the procurement

process. This has been accomplished by increasing rule adherence as well as raising fairness, competitiveness, and equity (Muriithi & Wamiori, 2020).

It is widely acknowledged that the adoption and utilization of IFMIS in public procurement in Kenya represents a significant step toward the digitization of procurement and the improvement of results (Lundu & Shale, 2015). The utilization of technology in the acquisition process improves their position as a bargaining powerhouse in resource-related talks. The ability for procuring bodies to draw more bids and gather more information, particularly on potential suppliers, is beneficial to the decision-making process (Mwangi, Kiarie & Kiai, 2018). The IFMIS for public funds is a highly significant tool for the proper purchase of goods and services since it enhances the delivery of those services. The procurement process is made more efficient as a result of IFMIS's ability to facilitate the flow of information, which in turn leads to increased resource utilization, spending management, and control (Atemba & Otuya, 2017). In order for county governments to derive the maximum benefit from the system, they are required to comply to the policies that regulate it.

### ***Contract Management***

In today's highly competitive and dynamic market, effective contract management in procurement is absolutely essential to an organization's performance in order to guarantee that contracts are managed in the appropriate manner (Kibogo & Mwangangi, 2014). It is imperative that contract management not be neglected because of the inextricable connection it has with the success of the procurement organization (Okinyi & Muturi, 2016). Currently, effective procurement contract management procedures are being used by procuring entities, particularly those that are involved in international procurement (Nyadimo, 2011). An organization's procurement performance can be improved and kept at a high level with the help of effective contract management. This is accomplished by ensuring the on-time delivery of both services and goods, providing excellent value for the money spent, and maintaining excellent relationships with both internal and external stakeholders (Kiage, 2013).

Due to insufficient techniques of contract management, the procurement process in Kenya wastes billions of dollars every year (Waigwa & Njeru, 2016). Contract modifications are a common occurrence, and county governments are not an exception; these modifications can be a result of unforeseen difficulties or changes made by the user. According to the law, the total number of adjustments cannot exceed ten percent of the number of goods and services that were initially agreed upon in the contract, and fifteen percent of the number of works that were initially agreed upon in the contract. This is to ensure that this situation does not occur (Manual for Procurement and Management of Projects, 2017). The consumer price index (CPI)

or the inflation rate reported by the Central Bank of Kenya must be cited in order to provide justification for any and all price changes that are implemented during the course of the contract's duration. Because variations have the potential to cause difficulties, it is important to carefully manage them in order to avoid costly and time-consuming lawsuits (Thuo & Njeru, 2014). The total variation is capped at 25 percent, the quantity variation is capped at 15 percent for goods and services and 20 percent for works, and contracts cannot be modified in the first year after they are signed even if the parties agree to do so.

### ***Inventory Management***

The process of creating and controlling inventory levels is referred to as inventory management, which encompasses all of the responsibilities involved in doing so (Lynch & Angel, 2013). Techniques for managing inventory that are effective ensure that the business does not have either too much stock (also known as overstocking) or not enough stock (Wahome, 2013). This is essential in order to prevent stockouts, which could result in a halt in production and ensure that there is always sufficient inventory on hand to fulfill the needs of customers in a timely manner (Kimaiyo & Ochiri, 2014). According to Fernández-Villaverde and Guerrón-Quintana (2020), holding stock is a necessary evil that must be done in order to overcome the unpredictability of customer demand. The legislation requires public officials to ensure that supplies are kept in good condition and forbids excessive procurement of goods that are purchased in quantities that are in excess of the minimum amount required. In spite of the establishment of a policy framework for public procurement, counties in Kenya continue to experience problems with inventory management (Munyao & Moronge, 2017).

The prevention of waste and loss, the attainment of an adequate return of value when supplies are disposed of, and the maintenance of supply utilization are the objectives of inventory management (Masudin, Kamara, Zulfikarijah & Dewi, 2018). Poor inventory management can have an effect on sales, as well as on the loyalty of customers and cash flow (Rajab, Okwiri, Sebastian & Yatundu, 2017). An excessive amount of inventory wastes monies that may be put to greater use, takes up valuable real estate, and increases the likelihood that items will be damaged, spoiled, or lost. On the other hand, insufficient inventory might result in disruptions in operations, which typically leads to subpar service to customers (Kyalo, Iravo & Maurice, 2019). Taking periodic stock gives a corporation the ability to monitor its supplies and provides assistance with requisitioning and purchasing decisions (Nurwin, Okwiri, Oruru & Yatundu, 2016).

If a purchasing organization wishes to dispose of assets that it is no longer in need of, it is required to adhere to the guidelines that are outlined in the Public Procurement Assets and

Disposal Act (2015). The assets that are going to be disposed of are sold in accordance with the method for disposal, making use of a number of different disposal alternatives, and to the highest bidder in order to obtain the highest potential return on investment for each asset (Susan & Namusonge, 2014). After being suitably labeled, the document records relating to any and all stages of the procurement procedure, ranging from the initial stages all the way to the final stages, are then kept in safe and secure cabinets, where they can only be accessed by authorized individuals with the assistance of a records manager (Ngari, 2012).

### **Performance**

When it comes to purchasing goods and services, all levels of government in Kenya are required to comply with the Public Procurement Assets and Disposal Act, which was passed in 2015. Regulated procurement systems are inefficient, cumbersome, and slow to adapt to changes. On top of that, they undercut the skill sets of procurement authorities, which in turn erodes their professionalism (Mbae, 2014). The objectives of regulated procurement are to maximize both public accountability and cost effectiveness (Rotich & Okello, 2015). In Kenya, a high level of importance is placed on the equitable treatment of suppliers, the observance of long-standing laws and regulations, competitive tendering, and the establishment of procedures to preserve modesty and regularity (Rotich, Benard & Waruguru, 2015).

In spite of the traditionally bureaucratic nature of public procurement, Kenyan county governments should apply their business acumen to identify reputable suppliers that provide products and services that offer a high value for the money while remaining within the allotted budget (Okoye & Ephraim, 2017). This entails providing them with education on relevant legislation pertaining to procurement as well as anticipated outcomes through supplier development (Otieno, 2015). In the context of public procurement, the acquisition of products, works, and services takes place at the appropriate price and, more significantly, at the price determined by the market (Chimwani, Iravo & Tirimba, 2014). Examining quality while complying to the specified regulations and standards and taking into consideration value for money by selecting the lowest bidder are all responsibilities of the body doing the purchasing (Munywoki, 2016).

The decisions that are made are governed by the procurement strategy, which is developed for each user department and used as a reference when developing the budget (Okinyi & Muturi, 2016). Making or purchasing goods and deciding whether to perform services in-house or to contract them out are two of the key considerations that go into a company's strategy when it comes to providing products and services to its customers (Rotich, Benard & Micheni, 2016). The modification to the way services are provided is a strategy to improve the effectiveness of procurement while also fostering the expansion of the local economy (Ali,

2018). The Procurement Act and other supporting regulations will lend a hand to county governments in their efforts to streamline their procedures, which will ultimately lead to an improvement in both production and efficiency (Ogwel, Iravo & Lagat, 2016). A budget acts as a guide that can be used to evaluate how well a county government is doing its job (Kipkirui, 2020). As a consequence of this, when a budget is properly employed by being absorbed on scheduled projects or activities, it results in the provision of discipline that propels the county's overall spending planning to the forefront as an important responsibility for performance (Kipkirui, 2020).

## METHODOLOGY

The study used an explanatory research design. Explanatory research is a technique for defining descriptions in phenomenon with limited information. Such a type of research is used by researchers in the initial phases of descriptive studies to develop a broad comprehension of their topic. Therefore, the explanatory research is in place to determine the why of occurrences by establishing cause-and-effect relationships. The researcher's research design was a descriptive study. A descriptive study design is a method that allows for the in-depth examination, analysis, and description of the activities of a single collective entity.

The study's population was Kenya's county governments. Employees of Meru County Government were the target population. The study's target audience included 137 employees, including procurement officers and other employees in the Department of Finance, Economic Planning, and ICT, as well as Chief Officers and Directors of other departments and their deputies in the Meru County government. This investigation made use of a sample method known as stratified random sampling. The total number of participants in this study was 101. Because the population is relatively homogeneous, Mugenda & Mugenda advocate using a 30% proportion to choose all respondents from the headquarters branch (2003).

The sample size for the research study was determined using the method developed by Zikmund, Babin, Carr, and Griffin (2013):  $n = (Z^2 \cdot PQ / \alpha^2)$ . The sample size for the research study was 101. In order to determine the appropriate size of the sample, we will apply the following formula: At a level of confidence of 95 percent or a likelihood of 0.05, the following formula can be used to estimate the size of the sample, denoted by n:

Desired sample  $n = (Z^2 \cdot PQ / \alpha^2)$

Where Z= Critical value of Z at 0.05 which is equal to 1.96

P= Accessible proportion of the target population= 50%

Q= Inaccessible proportion of the target population=50%

The acceptance error estimate =  $\alpha$ .

The maximum sample size can be calculated using the formula above (no) 384 units would be required from a big population of 10,000 or more. With relation to the target population, the sample size can be modified as follows:

The adjusted sample size  $n_1 = \frac{no}{(1+no/N)}$ . Where N is the size of the target population in the area of study

The adjusted sample size  $n_1 = \frac{1+384}{(1+384/137)} =$

$\frac{384}{137} = 2.8, 2.8+1 = 3.8, 1+384 = 385,$

$\frac{385}{3.8} = 101.3$

$n_1 = 101$

Table 1: Sample Size

Respondents	Target Population	Sample Size
Procurement Officers	34	25
Finance and Economic Planning Department Staff	42	31
Chief Officers	15	11
Departmental Directors and their Deputies	46	34
<b>Total</b>	<b>137</b>	<b>101</b>

Data was collected along the procurement and related functions using the study questionnaire. For more thorough information, several functional groups and employees participated. A self-administered questionnaire was used to obtain primary data. The questionnaire was developed guided by the operationalized conceptual framework, theories reviewed and literature reviewed. The data were analyzed and tabulated utilizing descriptive methods, and the results were displayed in the different findings of the study. In the study, both descriptive and inferential methods of data analysis were utilized. This investigation made use of descriptive data analysis since it is useful for describing the fundamental qualities of the data found in a study, and so it was chosen for this inquiry.

When testing the hypotheses, the T-test was utilized to determine whether or not each of the study's independent or predictor variables has a statistically significant effect on the study's dependent variable. This was done in order to determine whether or not the hypotheses are true. Correlation analysis was also done. This study's general linear regression model was:

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

Where; Y= Performance of Meru County Government

$\beta_0$ = Constant

$\beta_i$  is the coefficient for  $X_i$  ( $i=1,2,3,4$ )



$X_1$ = Preference and Reservations

$X_2$ = Technology Adoption

$X_3$ = Contract Management

$X_4$ = Inventory management

$\varepsilon$  = Error Term

## RESULTS AND DISCUSSION

### Pilot study results

In cases when the Cronbach's Alpha value is being utilized as the dependability measure, the coefficient should be greater than 0.7. (Drost, 2011). The fact that the Cronbach's Alpha values for all of the variables used in this study were higher than 0.7 is evidence that they adequately converged or had enough internal consistency. The based on the reliability analysis for the study variables used in the study are presented in table 2 below.

Table 2: Pilot Test Reliability Statistics

S/No	Variables	No of items	Cronbach's Alpha	Decision
1	Preference & Reservations	6	.760	Accepted
2	Technology Adoption	6	.798	Accepted
3	Contract Management	7	.876	Accepted
4	Inventory Management	6	.893	Accepted
5	Performance	9	.824	Accepted

In addition, the research conducted a test of construct validity by conducting in-depth interviews involving key informants, which included public procurement professionals as well as lecturers, prior to the distribution of the questionnaire in order to elicit valid concepts. The essential information provided by the key informants was used to make adjustments to the questionnaire, which ultimately led to the development of valid constructs.

### Descriptive Findings of Preference & Reservations

The findings show that the majority of participants agreed with the argument that we have adhered with the provision to set aside 30 percent of the procurement spending plan for special groups. According to the statistics, which show that the mean is 3.436 and the standard deviation is 0.4357, the majority of participants agreed with the argument that we have adhered with the provision to set aside 30 percent of the procurement spending plan for special groups.

The large majority of respondents, as indicated by a mean score of 3.543 and a standard deviation of 0.4446, agreed with the argument that we have awarded more than half of the percentage set aside for contractual agreements to special groups. The mean score for this question was 3.543, and the standard deviation was 0.4446. This was evidenced by the fact that there was only a 0.4446 point difference between each score's standard deviation. The findings also demonstrate that the vast majority of respondents agree with the assertion that we have ensured a minimum of 20 percent of the public procurement budget is set aside for county residents. This finding was shown to be true by the findings of the study. The results of this study demonstrated this, with the mean score being 3.619 and the standard deviation being 0.4315. In addition, the findings showed that the vast majority of participants agreed with the assertion that we have ensured at least 20 percent of the public procurement expenditure plan is set aside for county citizens. This finding was disclosed by the outcomes of the study.

Aside from that, the vast majority of those who took part in the discussion concurred with the assertion that we have awarded more than half of the percentage of contracts that were set aside for people who live in the county. The results of this show that this is the case, with a mean score of 3.626 and a standard deviation of 0.4002 accordingly. In addition to this, the findings demonstrated that the majority of respondents agreed with the argument that we have adhered to the preference margin to be provided on the proportion of local shareholding in the procurement spending plan. This was shown by the fact that the findings showed that the majority of respondents agreed with the argument. This was proved by a mean score of 3.736 in addition to a standard deviation score of 0.4527, all of which confirmed that the majority of the respondents concurred with the argument. In conclusion, a mean score of 3.423 and a standard deviation of 0.4527 demonstrated that the majority of participants agreed with the assertion that we have awarded more than half of the preference margin contractual terms to the proportion of shareholdings held by locals. This was demonstrated by the fact that the mean score was 3.423, and the standard deviation was 0.4527. This was corroborated by the fact that the standard deviation was 0.4527, which was lower than the mean score of 3.423, which indicated that this was the case. These findings are in agreement with those of Njoki, Ismail and Osoro (2021), who asserted that if government entities are to accomplish equitable and efficient procurement systems, they must follow the PPADA principles on preferences and reservations.

Table 3: Descriptive Analysis of Preference &amp; Reservations

Statements	Mean	Std. Deviation
We have complied with the requirement to set aside 30% of the procurement budget for special groups.	3.436	.4357
We have awarded over half of the percentage set aside contracts to special groups.	3.543	.4446
We have ensured a minimum of twenty percent in public procurement budget is set aside for residents of our county.	3.619	.4315
We have awarded over half of percentage set aside contracts for residents of our county.	3.626	.4002
We have complied to preference margin to be given on the percentage of shareholding of the locals in the procurement budget.	3.736	.5453
We have awarded over half of the preference margin contracts to the percentage of shareholding of the locals.	3.423	.4527

### Descriptive findings of Technology Adoption

The findings demonstrate that the vast majority of participants agreed with the statement that we were able to cut down on procurement waiting times by employing the EGP approach. The mean score of 3.539 and the standard deviation of 0.3489 are both displayed in the table. The fact that the average score on this question is higher than zero is conclusive evidence of this point. In addition, the vast majority of participants concurred with the premise that the EGP method's deployment resulted in an improvement in both the monitoring of projects and bids. This can be seen by looking at the mean score, which is 3.438, along with the standard deviation, which is 0.4312. In addition, a mean score of 3.457 and a standard deviation of .4501 demonstrated that the majority of the participants agreed with the premise that IFMIS provides a quicker reference and audit trail in our county. This was indicated by the fact that the standard deviation was less than .5001. The fact that the mean score was 3.457 provided further evidence in support of this assertion.

With a mean score of 3.502 and a standard deviation of 0.4263, it was clear that the majority of participants agreed with the assertion that IFMIS has improved visibility of all financial processes linked to the process of procurement of goods and services in the county. This was demonstrated by the fact that the mean score was supported by a standard deviation of 0.4263. This was substantiated by the fact that the standard deviation was 0.4263, which was directly proportional to the mean score, which was 3.502 points. With a mean score of 3.477 and a standard deviation of 0.4071, it appeared that the majority

of participants agreed with the statement that we awarded our contractual agreements through the County's procurement system. This was shown by the fact that the standard deviation was 0.4071. The fact that the mean was 3.477 and the standard deviation was 0.4071 constituted evidence of this assertion. In conclusion, a mean score of 3.469 plus a standard deviation score of 0.4264 indicated that the majority of participants agreed with the premise that we ought to make our bids public on the information site for public procurement. This was indicated by the fact that the standard deviation was 0.4264. These results are consistent with the ones that were found by Mugambi (2019) as well as Ahmed and Nganga (2019), who determined that successful implementation of information and communication systems is critical to ensuring that county governments' financial performance improves.

Table 4: Descriptive Analysis of Technology Adoption

Statements	Mean	Std. Deviation
We have reduced procurement lead time through EGP strategy.	3.539	.3489
We have enhanced monitoring of projects and tenders through EGP strategy.	3.438	.4312
IFMIS provides quicker reference and audit trail in our county.	3.457	.4501
IFMIS has increased visibility of all financial activities related to procurement of goods and services in our county	3.502	.4263
We award our contracts through the procurement system in our County.	3.477	.4071
We publish our tenders on the public procurement information portal.	3.469	.4264

### Descriptive findings of Contract Management

According to the findings, an overwhelming majority of respondents agreed with the statement that we guarantee the timely and accurate fulfillment of the duties outlined in the contract by the contractor. This is demonstrated by the fact that the average score was 3.427, and the standard deviation was 0.4301. In addition, with a mean of 3.459 and a standard deviation of 0.4301, the majority of participants agreed with the declaration that we require bidders to also include performance securities in their tender documentation when they submit their bids. This finding was based on the fact that the mean score was 3.459 and the standard deviation was 0.4301. The fact that the mean score for this proposal was 3.459 and the

standard deviation was 0.4301 was reflective of this reality. In addition, with a mean score of 3.591 and a standard deviation of 0.4923, the majority of participants agreed with the declaration that we do not allow existing contract price variations for contractual agreements that are for a period of less than one year. This result was based on the fact that the mean score was 3.591 and the standard deviation was 0.4923. This conclusion was reached due to the fact that the average score for this proposition was 3.591, and the standard deviation was 0.4923. In addition to this, a mean of 3.476 and a standard deviation of 0.4802 indicated that a large proportion of the participants agreed with the declaration that we require obligatory incorporation of contract variability in updated programs generated by contractors. This was indicated by the fact that the score for this statement was 3.476, and the standard deviation was 0.4802. The fact that the mean was 3.476 and the standard deviation was 0.4802 provided evidence for this assertion.

In addition, a mean score of 3.434 and a standard deviation of 0.4752 demonstrated that the majority of the participants agreed with the declaration that we make upfront payment against materials and plant brought to location site for inclusion in the works contracted. This was demonstrated by the fact that the standard deviation was equal to 0.4752. This was demonstrated by the fact that the standard deviation was 0.4752 points, while the average score was 3.434 points. In addition to this, a mean score of 3.649 plus a standard deviation of 0.3918 clearly indicates that the majority of the participants agreed with the declaration that when we make advance payments, they are assured by an advance payment security for an equal amount. This was indicated by the fact that there was a clear agreement between the mean score and the standard deviation. This was demonstrated by the fact that the values of both numbers were quite near to the number 3. A mean score of 3.616, supported by a standard deviation of 0.3909, indicated that a large percentage of the participants agreed with the declaration that we have created a contract implementation unit to deal with complex contracts. This was inferred from the fact that the final result had a standard deviation of 0.3909. This was demonstrated by the fact that the average score was 3.616, and the standard deviation was 0.3909; both of these figures supported each other. These results are in agreement with those of Mwangi (2020), adequate contract management ensures that all contract parties better satisfy their respective commitments as effectively and efficiently as attainable, delivering the strategic and technical outputs required by the contract, and giving value for money, customer satisfaction, as well as cycle time reduction.

Table 5: Descriptive Analysis of Contract Management

Statements	Mean	Std. Deviation
We ensure the due and proper performance of the contractor's obligations under the contract.	3.427	.4301
We require bidders to include performance securities in their tender documents during bid submission.	3.459	.4102
We do not allow contract price variations for contracts not exceeding one year.	3.591	.4923
We require mandatory inclusion contract variations in updated programs produced by the contractors.	3.476	.4802
We make advance payment against material and plant brought to site for incorporation in the works contracted.	3.434	.4752
When we make advance payments, they should be secured by an advance payment security for an equal amount.	3.649	.3918
We have established a contract implementation team to manage complex contracts	3.616	.3909

### Descriptive findings of inventory management

According to the findings, the vast majority of participants agreed with the assertion that we have improved standards and procedures to receive deliveries in a more efficient manner. This finding was based on the data presented in the table. This is evidenced by the fact that the average score was 3.526 and the standard deviation was 0.3198. In addition, the argument that we routinely analyze stock data and identify any areas for improvement was supported by a large number of respondents, as indicated by a mean score of 3.406 and a standard deviation of 0.3012. This indicated that a large percentage of participants agreed with the statement. The fact that the mean score was 3.406 and the standard deviation was 0.3012 provided evidence for this conclusion. A standard deviation of 0.3034 indicated that the majority of the participants agreed with the proclamation that we should dispose of assets in accordance with the procedures for disposal in order to obtain the highest possible value for the items. In addition, a mean score of 3.428 plus this standard deviation indicated that the majority of the participants agreed with the proclamation that we should dispose of assets in accordance with the procedures for disposal. This was demonstrated by the fact that the standard deviation was 0.3034, whereas the average score was 3.428.

A mean of 3.550 and a standard deviation of 0.3728 indicated that a large percentage of the participants agreed with the assertion that prior to the actual disposal of the assets, we guarantee that the assets are marked from the asset stock. This was

indicated by the fact that the mean score was 3.550 and the standard deviation was 0.3728. The fact that the mean was 3.550 and the standard deviation was 0.3728 provided more evidence in favor of this assertion. In addition, a mean score of 3.712 and a standard deviation of 0.3288 implied that a large percentage of the participants agreed with the declaration that we have established the filing system in order to preserve complete records on the entirety of the procurement procedures for each and every requirement. This was supported by the fact that the mean score was supported by the fact that the standard deviation was 0.3288. The fact that the mean score was 3.712 and the standard deviation was 0.3288 provided evidence for this assertion. A mean score of 3.606 and a standard deviation of 0.5276 indicated that a large percentage of the participants agreed with the argument that we created the filing system in order to keep complete records on the entirety of the contract administration process for each requirement. This was indicated by the fact that the mean score was greater than the standard deviation, which was 0.5276. This was demonstrated by the fact that the mean score was 3.606 and the standard deviation was 0.5276. Additionally, this highlighted the fact that this was the case. These findings are in agreement with those of Otundo and Bichanga (2015), who discovered that inventory management strategies have an impact on county governments' operational performance in delivering services to citizens.

Table 6: Descriptive Analysis of Inventory Management

Statements	Mean	Std. Deviation
We have enhanced standards and procedures to efficiently receive deliveries.	3.526	.3198
We frequently analyze inventory data and determine any areas for improvement.	3.406	.3012
We dispose assets with adherence of the disposal procedure in order to obtain the highest value of the items.	3.428	.3034
Prior to the actual disposal of assets, we ensure the assets are written-off from the asset inventory.	3.550	.3728
We have developed the filing system to maintain a complete record on the entire procurement processes for each requirement.	3.712	.3288
We have developed the filing system to maintain a complete record on the entire contract administration processes for each requirement.	3.606	.5276

## Descriptive findings of performance

According to the findings, the vast majority of respondents agreed with the proposition that we have realized extremely significant cost reductions as a result of our concerted efforts to improve the efficiency of the procurement process through the implementation of reforms. This is evidenced by a mean score of 3.767 and a standard deviation of 0.4812 in the table. In addition, the vast majority of participants were in agreement with the idea that increasing levels of competition result in lower prices as a direct result of how the market perceives the level of risk. This was proved by the participants' scores, which had a mean of 3.622 plus a standard deviation of 0.4015. In addition to this, a mean score of 3.664 and a standard deviation of 0.4302 revealed that a sizeable proportion of the participants agreed with the statement that we should ensure that money is used for the purposes that are listed on the budget. The mean score was 3.664, and the standard deviation was 0.4302; the scores were reported as follows. The findings of the survey provided evidence for this assertion. A mean score of 3.765 and a standard deviation of 0.5353 suggested that the majority of participants agreed with the statement that we had decreased the underuse of allocated monies in the county. This was indicated by the fact that the mean score was combined with the standard deviation. This was demonstrated by the fact that the value of the mean was 3.765 and the value of the standard deviation was 0.5353. Additionally, this was supported by the fact that there was no significant variance. A mean score of 3.554 and a standard deviation of 0.4563, both of which demonstrated that a large number of participants agreed with the notion that we have decreased the rate at which we are acquiring goods and services, showed that this consensus was supported by the data. In addition to this, a score of 3.554 proved that a high number of participants agreed with the notion that we have decreased the rate at which we are acquiring goods and services. In addition, a mean score of 3.831 and a standard deviation of 0.5414 implied that a large percentage of the participants agreed with the declaration that we already have room for resolving disputes in regard to procurement. This was implied by the fact that the score was interpreted as implying that the score was interpreted as implying that the score was interpreted as imply the fact that the mean score was 3.831 and the standard deviation was 0.5414 provided evidence for this assertion.

The argument that we have improved the quality of project activities carried out by the County was supported by the majority of the respondents, as indicated by a mean score of 3.593 and a standard deviation of 0.3849 among those who voted on the question. The argument that we have improved the quality of project activities carried out by the County



was supported by the majority of the respondents. In addition, a mean score of 3.843 and a standard deviation of 0.4132 suggest that a sizeable number of the participants agreed with the contention that we have increased the involvement of stakeholders in county procurement. This conclusion is based on the fact that the scores were calculated as follows: mean = 3.843; standard deviation = 0.4132. A mean score of 3.475 and a standard deviation of 0.4051 both suggest that the vast majority of participants agreed with the assertion that the performance of the county suppliers has been steadily improving over the course of the past three years. In conclusion, these numbers suggest that the vast majority of participants agreed with the assertion that the performance of the county suppliers has been steadily improving over the course of the past three years.

Table 7: Descriptive Analysis of Performance

Statements	Mean	Std. Deviation
We have captured enormous money savings through concerted efforts to strengthen the procurement function through reforms.	3.767	.4812
Through increased competition, our bidders offer lower prices due to market perceptions of risk.	3.622	.4015
We ensure that funds are utilized for the stated purposes on the budget.	3.664	.4302
We have reduced underutilization of budgeted funds in our county.	3.765	.5353
We have reduced the speed with which goods and services are procured.	3.554	.4563
We have room for procurement dispute resolution at the County.	3.831	.5414
We have improved the quality of projects undertaken by the County Government	3.593	.3849
We have improved stakeholder involvement in county procurement.	3.843	.4132
The county supplier's performance has improved over the last three years	3.547	.4051

### Overall Correlation Analysis

The correlation results of the study variables are displayed in table 8, which contains the study's findings. The findings indicated that there was a significant positive correlation between the independent variables and the dependent variable, where preference and reservations (0.762), technology adoption (0.776), contract management (0.770), and inventory management (0.795), respectively, at a significance level of 0.01. (2-tailed).

Table 8: Correlation Analysis

<b>Study Variable</b>		Performance	Preference & Reservations	Technology Adoption	Contract Management	Inventory Management
Performance	Person	1				
	Correlation					
	Sig. (2-tailed)					
Preference & Reservations	Person	.762**	1			
	Correlation					
	Sig. (2-tailed)	.000				
	N	88				
Technology Adoption	Person	.776**	.462**	1		
	Correlation					
	Sig. (2-tailed)	.000	.000			
	N	88	88			
Contract Management	Person	.770**	.498**	.486**	1	
	Correlation					
	Sig. (2-tailed)	.000	.000	.000		
	N	88	88	88		
Inventory Management	Person	.795**	.448**	.454**	.466**	1
	Correlation					
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	88	88	88	88	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

### Overall Regression Analysis

As shown in the findings of the multiple regression analysis, which demonstrated the existence of a significant relationship with an  $R^2$  value equal to 0.623, it is possible to explain 62.3 percent of the variation in the performance of the Meru County Government by making a change of one unit in each of the regressors jointly. This is based on the fact that the analysis showed a significant relationship between the two variables.

Table 9: Model Summary of overall regression model

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.789 <sup>a</sup>	.623	.618	.15421

a. Predictors: (Constant), Preference & Reservations, Technology Adoption, Contract Management, Inventory Management

b. Dependent Variable: Performance of County Government of Meru

According to the findings, the regressors have a positive impact on the overall performance of the Meru County Government. According to the results of additional tests conducted using ANOVA, the significance of the F-statistic (35.118) is lower than 0.05, as demonstrated by the fact that the p value,  $p=0.00$ , is displayed in Table 10. As a result, the model proved appropriate for the investigation.

Table 10: ANOVA<sup>a</sup> of overall regression model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.409	4	5.549	35.118	.000 <sup>a</sup>
	Residual	15.848	84	.637		
	Total	49.257	88			

a. Dependent Variable: Performance of the County Government of Meru

b. Predictors: (Constant), Preference & Reservations, Technology Adoption, Contract Management, Inventory Management

Table 11 displays, as a last point of interest, the approximated multiple regression model that was used to estimate performance.

Table 11: Coefficients<sup>a</sup> of Overall Regression Model

	Unstandardized		Standardized		
	Coefficients		Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	1.035	.411		2.807	.000
Preference & Reservations	.274	.084	.259	1.612	.007
Technology Adoption	.186	.091	.174	1.623	.004
Contract Management	.167	.097	.157	1.410	.003
Inventory Management	.191	.099	.174	1.615	.009

a. Dependent Variable: Performance of the County Government of Meru

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

$$Y = 1.035 + 0.274X_1 + 0.186X_2 + 0.167X_3 + 0.191X_4$$

Where;

Y= Performance of the County Government of Meru

1.035 = Constant

0.274 = Preference & Reservations

0.186 = Technology Adoption

0.167 = Contract Management

0.191 = Inventory Management

As can be seen in table 11, the co-efficients  $\beta_1 = 0.274$ ,  $\beta_2 = 0.186$ ,  $\beta_3 = 0.167$  and  $\beta_4 = 0.191$  are all substantially statistically different from 0 having p values of 0.007, 0.004, 0.003, and 0.0092 respectively. Additionally, these coefficients have p values that are lower than  $p = 0.05$ .

## Hypotheses Testing

Table 12: Hypotheses Testing Results

	Hypotheses	Decision Rule	P – Value	Inference
1	<p><b>H<sub>01</sub></b>: Preference and reservations have no significant effect on performance of Meru County Government.</p> <p><b>H<sub>a1</sub></b>: Preference and reservations have a positive significant effect on performance of Meru County Government.</p>	<p>If the <math>P \leq 0.05</math>, reject <math>H_{01}</math> and accept <math>H_{a1}</math></p>	.007	<p>Reject <math>H_{01}</math></p> <p><b>Accept <math>H_{a1}</math></b></p>
2	<p><b>H<sub>02</sub></b>: Technology adoption has no significant effect on performance of Meru County Government.</p> <p><b>H<sub>a2</sub></b>: Technology adoption has a positive significant effect on performance of Meru County Government.</p>	<p>If the <math>P \leq 0.05</math>, reject <math>H_{02}</math> and accept <math>H_{a2}</math></p>	.004	<p>Reject <math>H_{02}</math></p> <p><b>Accept <math>H_{a2}</math></b></p>
3	<p><b>H<sub>03</sub></b>: Contract management has no significant effect on performance of Meru County Government.</p> <p><b>H<sub>a3</sub></b>: Contract management has a positive significant effect on performance of Meru County Government.</p>	<p>If the <math>P \leq 0.05</math>, reject <math>H_{03}</math> and accept <math>H_{a3}</math></p>	.003	<p>Reject <math>H_{03}</math></p> <p><b>Accept <math>H_{a3}</math></b></p>
4	<p><b>H<sub>04</sub></b>: Inventory management has no significant effect on performance of Meru County Government.</p> <p><b>H<sub>a4</sub></b>: Inventory management has a positive significant effect on performance of Meru County Government.</p>	<p>If the <math>P \leq 0.05</math>, reject <math>H_{04}</math> and accept <math>H_{a4}</math></p>	.009	<p>Reject <math>H_{04}</math></p> <p><b>Accept <math>H_{a4}</math></b></p>

## CONCLUSIONS AND RECOMMENDATIONS

The performance of the Meru County Government was the primary focus of the investigation, and the primary objective of the study was to establish the effect that reforms to public procurement had had on that performance. The study concluded that preference and reservations had a significantly positive effect on Meru County Government performance. The study discovered a strong relationship between preference and reservations and performance,

so it is reasonable to conclude that, as a public procurement reform, preference and reservations are supported by Meru County Government and have an impact on the county's performance.

The research reached the conclusion that technology adoption had an impact on the performance of the Meru County Government. The correlation coefficient explains this, as it demonstrated that the actual effect was significant as well as positive. As a result, Meru County Government was able to improve its procurement performance thanks to the use of technology. Besides that, the research concluded that EGP strategy, IFMIS, and the publication of e-tenders and contract awards are all integral components of technology adoption as a public procurement reform and, as such, have an impact on the performance of the Meru County Government.

According to the study, contract management had a significantly positive effect on the performance of Meru County Government. It was unearthed that there was a sturdy relationship between contract management and county performance; thereby, the study reached a conclusion that contract management had an effect on county performance in Meru. Besides that, the study also concluded that Meru County Government frequently implemented public procurement reform of contract management, particularly the aspects of performance security, contract variation, as well as advance payment. Therefore, Meru County Government, as per the study findings, had implemented contract management reforms for effective performance.

Finally, the study reached a conclusion that inventory management had a significantly positive effect on Performance of Meru County Government. The study concluded that inventory management had an impact on county performance because there was a strong correlation between inventory management reforms and performance. In addition, the researcher concluded that Meru County Government has implemented inventory management reforms as part of a public procurement reform. Correspondingly, the study found that Meru County Government had incorporated inventory management reforms in order to improve performance. As a consequence, the research concluded that stock control procedures, disposal management procedures, and records management procedures are critical constituents of inventory management as a public procurement reform as well as, as being such, have an impact on Meru County Government performance.

The report recommends that regulations be reinforced to guide government entities on how to advertise plus evaluate bids submission by preference and reservation groups in order to improve performance in the County Government of Meru and other government institutions. Besides that, the study recommends revising the regulations governing the framework of the

complaint handling system for preference as well as reservation groups such as youth to improve adequacy. It is strongly recommended that the regulations on tender awards communication for preference and reservation groups, such as youth, be revised, and also that different advanced communication techniques be adopted.

Further to that, the report recommends a coordinated push for the adoption of a variety of innovations and intervention strategies, such as external supplier databases, supplier sourcing directories, tender notifications and alerts services, and procure-to-pay solutions, which will allow the Meru County government as well as other public procuring institutions to contemplate outsourcing their evaluation of bids plus the awarding processes. Regardless of performance security, the study recommended that a mutual process be established between the county's parties to enhance the steadiness of operating processes and the overall performance of Meru County Government's procurement system. Meru County Government could perhaps incorporate the necessity to follow up with the contractors to ensure that contracts met the requirements. Lastly, the study suggests that constraints in the successful execution of public procurement reforms in the areas of preferences and reservations, technology adoption, contract management, and inventory management be improved in order to achieve optimized value for money as well as budget absorption in Meru County Government.

## **LIMITATIONS AND FURTHER STUDIES**

The study was restricted to a review of the literature, which suggested only preference and reservations, adoption of technology, contract management, inventory management, and the theories that endorse these four variables. As a consequence, empirical research that largely validates the entire set of public procurement reforms via the regulatory framework extends further than the scope of the original study four factors. The study suggests that further research be undertaken to determine the impact of other public procurement reforms on the performance of the Meru County Government. The study was conducted in Meru County Government. As a result, equivalent research needs to be conducted in the remaining 46 counties and in a variety of public procuring agencies, such as state corporations, ministries, and state departments. Correspondingly, the study employed an exploratory-descriptive research design that was confined to detailed point-in-time descriptions. Regarding that, future studies can be conducted out utilizing a longitudinal design to ascertain the progression of public procurement reforms thru the legal framework over a lengthy amount of time.

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