



SUPPLIER EVALUATION AND PROCUREMENT PERFORMANCE OF COUNTY GOVERNMENTS IN UPPER EASTERN REGION, KENYA

Wario Bonaya Liban 

Master's Degree Candidate, Meru University of Science and Technology, Kenya
warsawaritu@gmail.com

Mathias Muinde Nzomo, PhD

Lecturer, Meru University of Science and Technology, Kenya
mmuinde@must.ac.ke

Haldess Nguta, PhD

Senior Lecturer, Meru University of Science and Technology, Kenya
hmunene@must.ac.ke

Abstract

Public procurement is central to service delivery, accountability, and sustainable development. However, county governments in Kenya, particularly those in the Upper Eastern Region, experience procurement challenges, including cost escalations, delays, weak supplier performance, and compliance risks. This study examined the effect of supplier evaluation on procurement performance of county governments in the Upper Eastern Region of Kenya. The study was guided by Agency Theory, which emphasizes monitoring mechanisms for reducing information asymmetry and opportunistic behaviour. An explanatory research design was adopted, targeting five county governments: Samburu, Marsabit, Meru, Tharaka Nithi, and Isiolo. A sample of 133 respondents was determined using Yamane's formula, and data were collected using questionnaires. Reliability and validity were assessed through a pilot study, expert review, the Kaiser-Meyer-Olkin measure, and Bartlett's Test of Sphericity. Diagnostic tests confirmed the suitability of the data for regression analysis. Data were analyzed using

SPSS version 26 through descriptive and inferential statistics, including Pearson's product-moment correlation and regression analysis. The findings established that supplier evaluation had a statistically significant effect on procurement performance, with the regression model yielding $R = 0.642$, $R^2 = 0.412$, and adjusted $R^2 = 0.407$. Thus, supplier evaluation explained 41.2% of the variation in procurement performance. The study concludes that supplier evaluation enhances procurement performance by strengthening supplier selection and mitigating supply-related risks. The study recommends regular supplier performance reviews, updated supplier performance records, and standardized evaluation criteria covering supplier reliability, quality, compliance, capacity, delivery performance, and historical performance to support objective procurement decisions and improve procurement performance.

Keywords: Supplier Evaluation; Procurement Performance; Public Procurement; County Governments; Supplier Performance; Supply Risk Management

INTRODUCTION

Public procurement is a critical government function through which public institutions acquire goods, works and services required for effective service delivery and implementation of development programmes. Its importance is particularly evident in developing countries, where public procurement accounts for a substantial proportion of government expenditure and therefore has significant implications for accountability, efficiency and value for money (World Bank, 2022). As governments increasingly decentralize public functions, procurement has become an important mechanism for managing public resources, engaging suppliers and supporting transparency in service delivery (OECD, 2021). However, procurement processes are exposed to risks associated with unreliable suppliers, weak supplier capacity, delays, cost escalation and poor-quality outputs (Abebe & Tekle, 2023).

Supplier evaluation is an important supply risk management practice for addressing these challenges. It involves the systematic assessment of suppliers based on factors such as capability, reliability, quality, compliance and previous performance. Effective supplier evaluation enables procuring entities to identify suppliers that possess the capacity to meet specified procurement requirements and to reduce the likelihood of supplier-related failures. In this regard, procurement systems in developed economies increasingly incorporate supplier evaluation and supplier performance monitoring as mechanisms for strengthening accountability and mitigating supply risks (Thai, 2021). Similarly, structured procurement reforms have emphasized supplier evaluation, due diligence and transparency as important measures for improving procurement efficiency and reducing procurement-related risks (Flynn & Davis, 2017). The importance of

supplier evaluation is also reflected in the relationship between supplier management and procurement performance. Procurement performance depends not only on the effectiveness of the procurement process but also on the ability of selected suppliers to deliver goods, works and services according to agreed specifications, quality standards, costs and timelines. Supplier evaluation provides information that can guide supplier selection and subsequent procurement decisions, thereby reducing the risks associated with poor supplier performance. Loader (2018) notes the importance of effective supplier assessment within public procurement systems, particularly in strengthening procurement processes and improving outcomes. McCue and Prier (2019) similarly emphasize the role of supplier evaluation and performance management in strengthening accountability within public procurement. In developing economies, the importance of supplier evaluation is heightened by institutional and supplier-capacity challenges. In Nigeria, inadequate supplier evaluation and contract management have been associated with poor project delivery, particularly in infrastructure projects (Ebekozi & Aigbavboa, 2021). Amemba (2020) also identifies supplier-related weaknesses as important sources of procurement risk. In South Africa, irregular procurement practices and weak contract enforcement have contributed to cost overruns and project delays (Watermeyer, 2018). Ambe and Badenhorst-Weiss (2012) further demonstrate the challenges associated with public procurement practices and supplier management in the African context. These experiences demonstrate the importance of systematic supplier evaluation in supporting effective procurement outcomes.

In Kenya, public procurement is central to the delivery of devolved services and the management of public resources. Despite the existence of an established procurement framework, county governments continue to experience procurement challenges, including delayed payments, supplier-related risks, cost escalation and weaknesses in procurement controls (OAG, 2025). Such challenges can undermine value for money and negatively affect the delivery of public services. The study's existing literature identifies weak supplier evaluation mechanisms as contributing to delays, cost escalations and poor-quality outputs in county projects (Nyang'au, 2022). Mutava and Kimutai (2021) further found that supplier evaluation enhances accountability and reduces cases of supplier non-performance in county governments. These challenges underscore the need for effective supplier evaluation within county procurement systems. Although supplier evaluation is intended to support objective supplier selection and reduce procurement risks, its effectiveness may depend on how consistently procuring entities assess supplier reliability, capability, compliance and historical performance. This is particularly relevant in county governments, where procurement outcomes have direct implications for service delivery. Therefore, this study examines the effect of supplier evaluation on procurement performance of county governments in the Upper Eastern Region of

Kenya, with a focus on establishing whether systematic supplier evaluation contributes to improved procurement performance.

Statement of the Problem

Public procurement is a major component of public expenditure in Kenya and is critical to effective service delivery and value for money (World Bank, 2022). However, county governments continue to experience procurement challenges, including supplier-related risks, delays, cost escalation and weaknesses in procurement controls. The Auditor-General has reported persistent weaknesses in county governments' financial management and internal controls, alongside substantial pending bills that continue to constrain effective service delivery (OAG, 2025). These challenges raise concerns about the effectiveness of mechanisms used by county governments to assess and manage supplier performance. Supplier evaluation is particularly important because systematic assessment of supplier capability, reliability, quality, compliance and previous performance can support objective supplier selection and reduce the risk of supplier non-performance. Mutava and Kimutai (2021) found that supplier evaluation enhances accountability and reduces supplier non-performance in county governments, while Wafula et al. (2022) established a significant influence of supplier evaluation on procurement performance in Bungoma County. Similarly, Otieno and Odero (2023) reported a positive relationship between supplier evaluation management practices and supply chain performance in selected Kenyan county governments. Despite these findings, evidence on the effect of supplier evaluation on procurement performance remains limited and context-specific, particularly within the Upper Eastern Region of Kenya. Existing studies have largely focused on individual counties or other geographical contexts, making it difficult to generalize their findings to counties in this region. Moreover, continued supplier-related procurement challenges suggest that the effectiveness of supplier evaluation requires further empirical examination. Therefore, this study sought to establish the effect of supplier evaluation on procurement performance of county governments in the Upper Eastern Region of Kenya.

Objectives of the Study

To examine the effect of supplier evaluation on procurement performance of county governments in the Upper Eastern Region

Research Hypothesis

H_{01} Supplier evaluation has no significant effect on procurement performance of county governments in the Upper Eastern Region

LITERATURE REVIEW

Agency Theory

Agency Theory was formally developed by Jensen and Meckling (1976) to explain the relationship between a principal who delegates responsibilities to an agent and the challenges that may arise from differences in interests, information asymmetry, and self-interested behaviour. In public procurement, county governments act as principals when they engage suppliers to provide goods, works, and services. Suppliers, as agents, possess information about their capabilities, resources, costs, and performance that may not be fully available to the procuring entity. Such information asymmetry creates the potential for adverse selection before contract award and moral hazard during contract implementation (Jensen & Meckling, 1976). Eisenhardt (1989) argued that monitoring, contractual arrangements, and other governance mechanisms can be used to control agency problems and align the interests of agents with those of principals.

Agency Theory provides a relevant basis for understanding supplier evaluation in public procurement. Supplier evaluation enables procuring entities to undertake systematic assessment of supplier capability, financial position, technical competence, compliance, reliability, and previous performance before making procurement decisions. Such assessment helps reduce adverse selection by enabling county governments to identify suppliers that have the capacity to meet contractual requirements. The theory also supports continued supplier monitoring after contract award because performance information can be used to identify deviations and initiate corrective action. Maestrini et al. (2018) demonstrate the importance of monitoring mechanisms in managing supplier relationships, while Overman and Rouwette (2022) emphasize the role of monitoring in addressing principal–agent problems in public service contracts.

The application of Agency Theory to supplier evaluation is particularly relevant where procurement entities face risks of supplier non-performance, poor quality, delays, and cost escalation. Effective evaluation and monitoring provide county governments with information necessary to make objective supplier decisions and monitor compliance with agreed requirements. Gugler et al. (2024) demonstrate that monitoring and evaluation can help address information asymmetry and goal incongruence, thereby improving implementation outcomes. Similarly, van der Valk et al. (2024) emphasize the importance of supplier management in public-sector buyer–supplier relationships, where accountability and performance expectations are particularly important.

However, Agency Theory has been criticized for emphasizing control and monitoring while giving relatively less attention to trust, cooperation, learning, and collaborative

relationships between principals and agents (Eisenhardt, 1989). Excessive monitoring may also increase administrative and transaction costs. Therefore, agency mechanisms should be appropriately aligned with the nature of the procurement relationship and the level of supplier-related risk (Overman & Rouwette, 2022).

In this study, Agency Theory provides the theoretical foundation for supplier evaluation by explaining how systematic supplier assessment and monitoring can address information asymmetry, adverse selection, and moral hazard in county government procurement. Supplier evaluation enables county governments to assess supplier capability and previous performance before procurement decisions are made, while continued performance assessment provides information for managing supplier relationships. Consequently, the theory provides the basis for expecting that effective supplier evaluation will reduce supplier-related risks and contribute to improved procurement performance in county governments in the Upper Eastern Region of Kenya.

Empirical Literature Review

Evidence from county governments in Kenya generally points to a positive relationship between supplier evaluation and procurement performance. Wafula et al. (2022), in their study of the County Government of Bungoma, found that supplier evaluation had a significant positive effect on procurement performance and recommended that the practice be institutionalized within county procurement processes. Similarly, Kitavi et al. (2020), examining strategic procurement practices in Machakos County Government, reported a strong positive relationship between supplier relations and procurement performance ($r = .845$, $p < .001$). Taken together, these findings suggest that how county governments assess and manage suppliers can influence procurement outcomes. However, the two studies approach the supplier dimension differently. Wafula et al. (2022) examined supplier evaluation directly, whereas Kitavi et al. (2020) considered supplier relations as part of a broader strategic procurement framework. This distinction is important because supplier relations encompass a wider set of activities, while supplier evaluation specifically concerns the systematic assessment of supplier capability and performance. In addition, both studies were undertaken in individual counties, and their findings may not necessarily reflect the procurement conditions prevailing in the Upper Eastern Region.

Evidence from other public-sector institutions further supports the importance of supplier assessment while highlighting differences in institutional context. Awuor and Namusonge (2024), for example, found that supplier quality commitment, financial capacity, technical capability and production capacity significantly and positively influenced procurement performance among government parastatals in Kenya's Lake Region. Similarly, Sauda and

Ngony (2019), in a study of Coast Provincial General Hospital, found that supplier collaboration, financial stability, technical competency and supplier ethics significantly influenced procurement contract performance. These findings reinforce the importance of assessing the capability and characteristics of suppliers when making procurement decisions. Nevertheless, parastatals and public hospitals operate within institutional settings that differ from county governments, and Sauda and Ngony (2019) focused on procurement contract performance rather than overall procurement performance. Consequently, although the existing evidence provides a basis for expecting supplier evaluation to improve procurement outcomes, there remains limited empirical evidence on the relationship between supplier evaluation and overall procurement performance among county governments in the Upper Eastern Region of Kenya. This study addresses this contextual and geographical gap by examining the relationship across Samburu, Marsabit, Meru, Tharaka Nithi and Isiolo counties.

Conceptual Framework



Figure 1: Conceptual Framework

Supplier evaluation is an important part of supply risk management because it helps county governments determine whether suppliers have the ability to meet procurement requirements. Through evaluation, procurement officers can assess suppliers before and during contractual engagements and identify potential risks relating to reliability, capacity, quality and compliance. In the Upper Eastern Region, effective supplier evaluation is therefore expected to reduce the likelihood of supply disruptions, non-performance, poor-quality deliveries and cost overruns (Chopra & Sodhi, 2021). Handfield et al. (2020) similarly emphasize the importance of systematic supplier evaluation and performance measurement in managing supplier-related risks.

Supplier capacity assessment is one of the important aspects of this process. It considers whether a supplier has adequate financial resources, technical expertise and operational capacity to fulfil contractual obligations. Selecting suppliers with appropriate

capacity can reduce the likelihood of delays and procurement failures and, consequently, support efficiency and value for money (Monczka et al., 2022; Tang et al., 2021). Past performance is equally important because previous delivery records provide useful information about a supplier's reliability. Reviewing whether suppliers have met delivery schedules, quality requirements and contractual obligations enables procurement officers to make decisions based on actual performance rather than relying solely on information provided during the bidding process (Fynes et al., 2020; Flynn et al., 2021).

Compliance assessment also forms an important part of supplier evaluation. Suppliers are expected to meet relevant statutory, regulatory and quality requirements, particularly in public procurement where accountability and adherence to established procedures are essential (Mena et al., 2020; Zsidisin & Ritchie, 2021). A supplier that meets the required standards is less likely to expose the procuring entity to legal, operational or reputational risks. For county governments, therefore, compliance assessment complements capacity and past-performance evaluation by providing a broader basis for supplier selection and monitoring.

Taken together, capacity assessment, past performance and compliance provide a basis for evaluating supplier suitability and managing procurement risks. Effective supplier evaluation can contribute to procurement performance by improving supplier selection, reducing delays and procurement errors, and supporting the delivery of goods and services that meet the required standards (Handfield et al., 2020; Tang et al., 2021). It also provides information that can guide subsequent supplier management decisions. Supplier evaluation is consequently treated in this study as an important practice through which county governments can reduce supplier-related risks and improve procurement performance.

RESEARCH METHODOLOGY

Public procurement research requires a methodological approach capable of establishing relationships between study variables in their natural setting. This study adopted an explanatory research design because it sought to establish the effect of supplier evaluation on procurement performance without manipulating the study environment. Explanatory designs are appropriate where research seeks to examine relationships between variables and explain how changes in one variable are associated with changes in another (Saunders et al., 2019; Kothari & Garg, 2019). The study covered five county governments in the Upper Eastern Region of Kenya: Marsabit, Meru, Tharaka Nithi, Samburu and Isiolo. The target population comprised 202 officers, drawn from supply chain, finance and user departments because of their direct involvement in procurement activities. Stratified random sampling was used to ensure representation of the three functional groups, followed by simple random sampling within each

stratum, an approach considered appropriate where the population contains distinct subgroups requiring representation (Kothari, 2014). The sample size was determined using Yamane's (1967) formula at a 5% margin of error, giving 134 respondents.

Table 1: Sample Size

Participants/County	Marsabit County	Meru County	Tharaka Nithi County	Samburu County	Isiolo County	Total
Supply Chain Officers	9	12	8	6	7	42
Finance officers	7	9	5	5	5	31
User Departments	12	18	12	9	10	61
Total	28	39	25	20	22	134

Source: County's Human Resource Departments, 2025

Primary data were collected using a self-designed structured questionnaire with five-point Likert-scale items measuring supplier evaluation and procurement performance. A pilot study involving 10% of the sample was conducted in Embu County to assess the clarity and reliability of the instrument. Reliability was assessed using Cronbach's alpha, which yielded a coefficient of 0.749 for supplier evaluation and 0.804 for procurement performance, indicating acceptable internal consistency of the measurement items. Validity was assessed through expert review and construct assessment. Data were coded and analyzed using SPSS Version 26. Descriptive statistics were used to summarize the study variables, while Pearson's product-moment correlation and simple linear regression were used to establish the relationship and effect of supplier evaluation on procurement performance. Diagnostic tests were conducted before regression analysis to assess compliance with the assumptions underlying linear regression, consistent with recommended procedures for quantitative data analysis (Saunders et al., 2019). The results were presented in tables and interpreted in line with the study objective.

FINDINGS AND DISCUSSIONS

Descriptive Statistics

Descriptive statistics were employed to provide an overview of respondents' perceptions of the study variables. The analysis focused on the mean and standard deviation, with the mean reflecting the central tendency of the responses and the standard deviation indicating the degree of dispersion around the mean (Field, 2018).

Table 2: Descriptive Statistics for Supplier Evaluation

Supplier Evaluation	N	Mean	SD
Suppliers are evaluated for financial stability before engagement	111	4.69	.482
Past performance of suppliers is reviewed systematically before contract awards.	111	4.10	.774
Suppliers comply with all regulatory, statutory, and quality standards.	111	4.14	.769
Supplier capacity assessments (technical expertise, workforce, equipment) influence procurement decisions.	111	4.28	.741
Ethical standards and business practices of suppliers are considered during evaluation.	111	4.28	.741
Supplier reliability (timely delivery and quality consistency) is measured before contract award.	111	4.09	.733
Supplier performance evaluation records are maintained and referred to in subsequent contracts.	111	4.35	.642
Evaluation criteria are standardized across departments to ensure fairness and transparency.	111	4.23	.750
Supplier assessment reports influence supplier selection and contract award decisions.	111	4.23	.774
Average	109	4.27	0.712

The overall mean of 4.27 (SD = 0.712) shows that respondents generally agreed that supplier evaluation practices were applied in the county governments. The highest-rated practice was evaluation of suppliers' financial stability before engagement (M = 4.69, SD = 0.482). The small standard deviation shows that respondents were largely consistent in their assessment of this practice. Maintaining and referring to supplier performance records in subsequent contracts also received a high rating (M = 4.35, SD = 0.642). This points to the use of previous supplier performance as part of subsequent procurement decisions. Supplier capacity assessments and consideration of ethical standards and business practices both recorded a mean of 4.28 (SD = 0.741). Evaluation criteria being standardized across departments and supplier assessment reports influencing supplier selection and contract award decisions each recorded a mean of 4.23. The results therefore show that supplier evaluation was not limited to financial considerations. Technical capacity, ethical conduct, previous performance, and standardized evaluation procedures were also taken into account when assessing suppliers. The lowest mean was recorded for measuring supplier reliability before contract award (M = 4.09, SD = 0.733), followed closely by systematic review of suppliers' past performance before contract awards (M = 4.10, SD = 0.774). Although both means reflect agreement, their relatively lower ratings point to areas that may require greater consistency. In

particular, county governments could strengthen the systematic use of documented supplier performance and reliability information when making pre-award decisions. Doing so would provide procurement units with stronger evidence for identifying suppliers that may present delivery, quality, or other performance-related risks.

The findings are consistent with Mwita and Wanyoike (2022), who found that comprehensive supplier evaluation supports informed supplier selection, improves supplier reliability, and reduces procurement risks in public sector institutions. The high rating recorded for supplier financial stability, capacity assessment, and the use of previous performance records in the present study reflects a similar emphasis on assessing supplier capability before and during procurement decisions. The findings, however, differ from those of Amoako, Doe, and Mensah (2023), who reported that supplier evaluation in some public organizations was not consistently applied, partly because administrative and political considerations could influence procurement decisions. The difference may be associated with variations in governance structures, regulatory enforcement, and adherence to procurement procedures across public institutions and jurisdictions. Overall, the results show that supplier evaluation was widely practiced in the participating county governments, particularly in assessing financial stability and maintaining information on previous supplier performance. The comparatively lower ratings for supplier reliability assessment and systematic review of past performance provide an opportunity for further strengthening supplier evaluation as a mechanism for managing supply-related risks.

Correlation Analysis

Pearson's product-moment correlation analysis was conducted to establish the direction and magnitude of the linear relationships among the study variables. The strength of the relationships was interpreted based on the absolute value of the correlation coefficient, with values closer to either extreme indicating stronger associations (Schober et al., 2018). For purposes of this study, absolute r values of 0.10–0.29 were interpreted as weak, 0.30–0.49 as moderate, and 0.50 and above as strong associations.

Table 3: Correlation output of Supplier Evaluation and Procurement Performance

Variable		Supplier Evaluation	Procurement Performance
Supplier Evaluation	Pearson Correlation	1	.642
	Sig. (2-tailed)		.000
	N	111	111

Procurement	Pearson Correlation	.642	1
Performance	Sig. (2-tailed)	.000	
	N	111	111

Table 3...

The results presented reveal a correlation coefficient of 0.642 which indicates a strong positive relationship, implying that improvements in supplier evaluation practices are associated with corresponding improvements in procurement performance. The positive direction of the relationship suggests that county governments that undertake comprehensive supplier evaluation are more likely to realize better procurement outcomes. The statistical significance of the relationship ($p = 0.000$) indicates that the observed association is unlikely to have occurred by chance. The findings therefore provide empirical evidence that supplier evaluation constitutes an important supply risk management practice that contributes to enhanced procurement performance. Consequently, strengthening supplier evaluation processes through rigorous assessment of suppliers' financial capability, technical competence, compliance, and past performance is likely to improve the efficiency and effectiveness of procurement activities within county governments.

The findings are consistent with those of Ongaro and Juma (2025), who established that supplier evaluation practices significantly enhanced sustainable organizational performance in Kenyan county referral hospitals. Their study demonstrated that assessing suppliers based on financial capability, technical competence, quality standards, and past performance improved supplier reliability and reduced procurement risks, ultimately contributing to better procurement outcomes. These observations reinforce the present findings that robust supplier evaluation is instrumental in enhancing procurement performance within county governments. However, the findings differ from those reported by Mutai and Okello (2016), who found that although supplier evaluation improved supplier selection decisions in Kenyan public universities; its contribution to procurement performance was constrained by bureaucratic procedures and regulatory compliance requirements. The authors argued that institutional inefficiencies limited the extent to which supplier evaluation translated into improved procurement outcomes. The disparity may be attributed to differences in institutional settings, procurement systems, and governance structures, as county governments often operate in a more dynamic procurement environment characterized by decentralized decision-making and greater exposure to supply risks than public universities.

Regression Analysis

Regression analysis was conducted to determine whether supplier evaluation significantly predicts procurement performance in county governments. The analysis considered

the model summary, ANOVA results, and regression coefficients to assess the explanatory power of the model, its overall statistical significance, and the direction and magnitude of the relationship between supplier evaluation and procurement performance. Since the objective focused on determining the effect of a single independent variable, supplier evaluation, on procurement performance, simple linear regression was applied (Hair et al., 2022).

Table 4: Model Summary of Supplier Evaluation as a Predictor of Procurement Performance

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.642 ^a	.412	.407	3.381

a. Predictors: (Constant), Supplier Evaluation

b. Dependent Variable: Procurement Performance

The model summary results demonstrate that supplier evaluation is a significant predictor of procurement performance among county governments in the Upper Eastern Region of Kenya. The model yielded an R value of 0.642, indicating a strong positive predictive relationship between supplier evaluation and procurement performance. The R² value of 0.412 shows that supplier evaluation explains 41.2% of the variation in procurement performance, while the remaining, 58.8% is explained by other factors outside the model. The adjusted R² of 0.407 closely approximates the R² value, indicating that the model is stable and provides a reliable estimate of the effect of supplier evaluation. The findings demonstrate that supplier evaluation is an important determinant of procurement performance. County governments that rigorously evaluate suppliers based on financial capability, technical competence, quality standards, and past performance are more likely to achieve efficient procurement processes, minimize supply risks, and improve service delivery.

These findings are consistent with Ongaro and Juma (2025), who found that supplier evaluation significantly improved organizational performance by enhancing supplier reliability and procurement efficiency in Kenyan county referral hospitals. Similarly, Ondieki et al. (2023) reported that supplier performance evaluation strengthened procurement performance in county governments through improved supplier selection and reduced procurement risks. However, the findings contrast with Mutai and Okello (2016), who observed that the influence of supplier evaluation on procurement performance in public universities was constrained by bureaucratic procedures and regulatory requirements. The difference may be attributed to variations in institutional contexts and procurement environments, where county governments depend more heavily on effective supplier evaluation to support timely public service delivery.

Table 5: Analysis of Variance between Supplier Evaluation and Procurement Performance of Deposit-taking SACCOs

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	873.495	1	873.495	76.414	.000 ^b
	Residual	1245.982	109	11.431		
	Total	2119.477	110			

a. Dependent Variable: Procurement Performance

b. Predictors: (Constant), Supplier Evaluation

The ANOVA results indicate that the regression model is statistically significant in predicting procurement performance from supplier evaluation. The model yielded an F-statistic of 76.414 and a p-value of 0.000 ($p < 0.05$). This indicates that supplier evaluation significantly predicts procurement performance and that the regression model provides a better fit than a model without the predictor. Consequently, the null hypothesis that supplier evaluation has no significant effect on procurement performance is rejected. The findings suggest that strengthening supplier evaluation practices significantly improves procurement performance by enabling organizations to identify capable suppliers, minimize procurement risks, and improve operational efficiency. These findings are consistent with Magesa, Michael, and Ko (2022), who found that supplier evaluation and development significantly enhanced procurement performance by improving supplier capability and reducing contract management challenges. Similarly, Alolayyan, Alqudah, and Al-Hawary (2023) reported that systematic supplier assessment strengthened supply chain performance through improved supplier quality, delivery reliability, and procurement efficiency. These findings affirm that supplier evaluation is a strategic procurement practice that contributes significantly to procurement performance across different organizational contexts.

Table 6: Regression Analysis on E-tendering and Supply Chain Performance

Coefficients^a						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	20.924	2.079		10.063	.000
	Supplier Evaluation	.476	.054	.642	8.742	.000

a. Dependent Variable: Procurement Performance

The findings indicate that supplier evaluation has a positive and statistically significant influence on procurement performance. The regression results show that the constant was 20.924 and was statistically significant ($p < 0.05$). This implies that when supplier evaluation is held constant, procurement performance would be 20.924 units, suggesting that procurement performance is also influenced by other factors not captured in the model. The findings further indicate that supplier evaluation had a positive regression coefficient ($B = 0.476$, $p < 0.05$), implying that a one-unit improvement in supplier evaluation would result in a 0.476-unit increase in procurement performance, holding other factors constant. This suggests that strengthening supplier evaluation practices enhances procurement performance by enabling organizations to identify competent suppliers, improve supplier reliability, and minimize procurement risks.

The findings also agree with Otieno and Odero (2023), who established that supplier evaluation significantly enhanced supply chain performance among county governments in Kenya by improving supplier reliability, ensuring compliance with procurement requirements, and promoting efficient procurement processes.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The study found that county governments in the Upper Eastern Region have generally embraced supplier evaluation as part of their procurement practices. Respondents reported that suppliers are assessed on their financial stability, technical capacity, compliance with statutory requirements, ethical standards and previous performance. Supplier performance records are also considered when making subsequent procurement decisions. However, the findings point to some inconsistency in assessing supplier reliability and reviewing past performance before contracts are awarded. The inferential results showed a strong positive relationship between supplier evaluation and procurement performance, with supplier evaluation having a statistically significant effect on procurement performance. The finding indicates that the way county governments assess suppliers has practical implications for procurement outcomes. When supplier capability, reliability and previous performance are properly considered, procurement officers are better placed to select suppliers who can meet the required standards and contractual obligations. This can reduce supplier-related problems and support more efficient procurement operations.

The study therefore concludes that supplier evaluation is an important contributor to procurement performance in the county governments studied. Although the basic evaluation practices are in place, their effectiveness can be improved through more consistent assessment of supplier reliability and previous performance. Such information provides a useful basis for making procurement decisions and identifying suppliers whose past conduct may pose risks to

future contracts. The study recommends that county governments introduce regular supplier performance reviews and maintain current supplier performance records for reference during future procurement processes. Procurement departments should also use standardized supplier evaluation criteria so that supplier selection is based on objective and verifiable information rather than routine compliance alone. Particular attention should be given to supplier reliability and historical performance. These measures would strengthen supplier selection, reduce supply-related risks and contribute to improved procurement performance.

SCOPE FOR FURTHER STUDIES

The study was limited to county governments in the Upper Eastern Region of Kenya. Future studies could examine supplier evaluation in county governments in other regions and in other public institutions to determine whether the findings are consistent across different procurement settings. Further research could also examine specific aspects of supplier evaluation, including supplier performance monitoring, supplier development and the use of digital systems in supplier assessment. Such studies would provide a broader understanding of how different supplier management practices relate to procurement performance.

REFERENCES

- Abebe, M., & Tekle, S. (2023). Supply chain risks and procurement challenges in public institutions. *Journal of Public Procurement*, 23(2), 45–62.
- Alolayyan, M. N., Alqudah, I. H., & Al-Hawary, S. I. S. (2023). The impact of supplier relationship management practices on supply chain performance. *Uncertain Supply Chain Management*, 11(4), 1603–1614.
- Ambe, I. M., & Badenhorst-Weiss, J. A. (2012). Procurement challenges in the South African public sector. *Journal of Transport and Supply Chain Management*, 6(1), 242–261.
- Amemba, C. (2020). Supplier development and procurement performance in devolved governments in Kenya. *African Journal of Supply Chain Management*, 8(1), 22–36.
- Amoako, G. K., Doe, J. K., & Mensah, C. (2023). Supplier evaluation practices and procurement performance in public institutions: Evidence from selected local governments in Ghana. *Journal of Public Procurement*, 23(2), 168–187.
- Awuor, W. O., & Namusonge, E. (2024). Supplier selection criteria and procurement performance of governmental parastatals in the Lake Region, Kenya. *Strategic Journal of Business & Change Management*, 11(2), 1152–1161.
- Chopra, S., Sodhi, M. S., & Lückner, F. (2021). Achieving supply chain efficiency and resilience by using multi-level commons. *Decision Sciences*, 52(4), 817–832. <https://doi.org/10.1111/deci.12526>
- Creswell, J. W., & Creswell, J. D. (2018). *Research design: Qualitative, quantitative, and mixed methods approaches* (5th ed.). SAGE Publications.
- Ebekozien, A., & Aigbavboa, C. (2021). COVID-19 recovery for the Nigerian construction sites: The role of the fourth industrial revolution technologies. *Sustainable Cities and Society*, 69, 102803. <https://doi.org/10.1016/j.scs.2021.102803>
- Eisenhardt, K. M. (1989). Agency theory: An assessment and review. *Academy of Management Review*, 14(1), 57–74.
- Flynn, A., & Davis, P. (2017). Explaining SME participation and success in public procurement using a capability-based model of tendering. *Journal of Public Procurement*, 17(3), 337–372. <https://doi.org/10.1108/JOPP-17-03-2017-B003>

- Flynn, B. B., Huo, B., & Zhao, X. (2010). The impact of supply chain integration on performance: A contingency and configuration approach. *Journal of Operations Management*, 28(1), 58–71. <https://doi.org/10.1016/j.jom.2009.06.001>
- Fynes, B., Voss, C., & de Búrca, S. (2020). The impact of supplier evaluation on supply chain risk management. *International Journal of Operations & Production Management*, 40(8), 1045–1069.
- Gugler, P., Klijn, E., & van Buuren, A. (2024). An agency theory unpacking of how monitoring and evaluation affect international development project impact. *World Development*, 174, 106571.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2022). *Multivariate data analysis* (9th ed.). Cengage Learning.
- Handfield, R., Cousins, P., Lawson, B., & Petersen, K. (2020). Improving supplier evaluation and performance measurement. *Journal of Purchasing and Supply Management*, 26(4), 100–112.
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360.
- Kitavi, G. W., Ochieng, V., & Sang, W. (2020). Effects of strategic procurement practices on performance of county governments in Kenya: A case of Machakos County Government. *Strategic Journal of Business & Change Management*, 7(3), 1096–1111.
- Kothari, C. R. (2014). *Research methodology: Methods and techniques* (3rd ed.). New Age International Publishers.
- Kothari, C. R., & Garg, G. (2019). *Research methodology: Methods and techniques* (4th ed.). New Age International Publishers.
- Loader, K. (2018). Small- and medium-sized enterprises and public procurement: A review of the UK coalition government's policies and their impact. *Environment and Planning C: Politics and Space*, 36(1), 47–66. <https://doi.org/10.1177/2399654417692987>
- Maestrini, V., Maccarrone, P., Caniato, F., & Luzzini, D. (2018). Effects of monitoring and incentives on supplier performance: An agency theory perspective. *International Journal of Production Economics*, 203, 322–332.
- Magesa, M. M., Michael, K., & Ko, J. (2022). Supplier development and public procurement performance: Does contract management difficulty matter? *Cogent Business & Management*, 9(1), Article 2108224. <https://doi.org/10.1080/23311975.2022.2108224>
- Mazahir, S., & Ardestani-Jaafari, A. (2020). Robust global sourcing under compliance legislation. *European Journal of Operational Research*, 284(1), 152–163. <https://doi.org/10.1016/j.ejor.2019.12.017>
- McCue, C. P., Prier, E., & Steinfeld, J. M. (2020). Establishing the foundational elements of a public procurement body of knowledge. *Journal of Strategic Contracting and Negotiation*, 4(4), 233–251. <https://doi.org/10.1177/2055563620947401>
- Monczka, R. M., Handfield, R. B., Giunipero, L. C., & Patterson, J. L. (2021). *Purchasing and supply chain management* (7th ed.). Cengage.
- Mugenda, O. M., & Mugenda, A. G. (2019). *Research methods: Quantitative and qualitative approaches*. ACTS Press.
- Mutai, J. K., & Okello, B. (2016). Effects of supplier evaluation on procurement performance of public universities in Kenya. *International Journal of Economics, Finance and Management Sciences*, 4(3), 98–106. <https://doi.org/10.11648/j.ijefm.20160403.12>
- Mutava, J., & Kimutai, P. (2021). Supplier evaluation and procurement performance in county governments in Kenya. *Journal of Public Procurement and Policy*, 3(1), 78–92.
- Mwita, P. N., & Wanyoike, D. M. (2022). Supplier evaluation practices and procurement performance in public institutions in Kenya. *International Journal of Supply Chain and Logistics*, 6(2), 48–63.
- Nyang'au, D. (2022). Contract management practices and procurement risk mitigation in Kenyan public entities. *African Journal of Procurement and Logistics*, 7(2), 101–117.
- OECD. (2021). *Government at a glance 2021*. OECD Publishing.
- Office of the Auditor-General. (2025). *Auditor-General's summary report on county governments, 2023/2024*. Nairobi, Kenya: Office of the Auditor-General.
- Ogachi, P., & Karanja, S. (2023). Supply chain resilience and procurement outcomes in Kenyan counties. *International Journal of Procurement Management*, 16(1), 99–117.

- Ondieki, D. O., Biraori, O. E., & Muhoro, J. M. (2023). Supplier's past performance and procurement performance of county governments in Kenya. *International Journal of Social Sciences Management and Entrepreneurship*, 7(2), 157–171.
- Ongaro, J. M., & Juma, D. (2025). Supplier evaluation practices on sustainable performance of selected county referral hospitals in Kenya. *International Journal of Supply Chain and Logistics*, 9(6), 75–93. <https://doi.org/10.47941/ijscsl.2937>
- Otieno, K., & Odero, J. A. (2023). Supplier evaluation management practice and supply chain performance of Kenyan selected county governments in Nyanza Region. *African Journal of Empirical Research*, 4(2), 727–733.
- Overman, S., & Rouwette, E. (2022). Overcoming the principal–agent problem: The need for alignment of interests in public service contracts. *World Development*, 157, 105944.
- Sauda, Z. A., & Ngeny, G. K. (2019). Effect of supplier evaluation on performance of procurement contract: A case study of Coast Provincial General Hospital. *Strategic Journal of Business & Change Management*, 6(2), 244–264.
- Saunders, M., Lewis, P., & Thornhill, A. (2019). *Research methods for business students* (8th ed.). Pearson.
- Tang, C. S., Zimmerman, J., & Wei, K. (2021). Supplier assessment and risk mitigation in public procurement. *Journal of Operations Management*, 67(5), 491–506.
- Tavakol, M., & Dennick, R. (2011). Making sense of Cronbach's alpha. *International Journal of Medical Education*, 2, 53–55. <https://doi.org/10.5116/ijme.4dfb.8dfd>
- Thai, K. V. (2017). Global public procurement theories and practices: An introduction. In K. V. Thai (Ed.), *Global public procurement theories and practices* (pp. 1–14). Springer. https://doi.org/10.1007/978-3-319-49280-3_1
- van der Valk, W., Wynstra, F., & Schotanus, F. (2024). It's fine for them, but what about us? Exploring the role of supplier management in public buyer satisfaction. *Journal of Purchasing and Supply Management*, 30(3), 100901.
- Wafula, B. L., Kadima, J. M., & Miroga, J. (2022). Influence of supplier's evaluation on procurement performance of the County Government of Bungoma, Kenya. *Strategic Journal of Business & Change Management*, 9(1), 160–171.
- Watermeyer, R. (2018). *Client guide for improving infrastructure project outcomes*. Engineers Against Poverty & School of Construction Economics and Management, University of the Witwatersrand.
- World Bank. (2022). *Harnessing public procurement for sustainable development*. Washington, DC: World Bank.
- Yamane, T. (1967). *Statistics: An introductory analysis* (2nd ed.). Harper and Row.
- Zsidisin, G. A., & Ritchie, B. (Eds.). (2009). *Supply chain risk: A handbook of assessment, management, and performance*. Springer. <https://doi.org/10.1007/978-0-387-79934-6>