

E-Procurement Practices and Procurement Performance of the County Government of Wajir, Kenya

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Abstract: This study examined the effect of e-procurement practices on procurement performance in the County Government of Wajir, Kenya. Specifically, it assessed the influence of supplier relationship practices, negotiation practices, and contract management practices. The study was guided by the Kraljic Portfolio Model and the Dynamic Supply Chain Capabilities Theory, and adopted an explanatory research design to establish causal relationships. A census of 77 procurement and chief officers was conducted. Data were collected using structured questionnaires, tested for validity and reliability (Cronbach's alpha ≥ 0.7), and analyzed using descriptive statistics and multiple regression analysis, alongside thematic analysis for qualitative data. The findings indicate that supplier relationship practices have a positive but relatively low effect on procurement performance ($p = 0.038$), suggesting that while collaboration exists, supplier development remains limited. Negotiation practices showed a strong and significant influence ($p = 0.000$), enhancing cost efficiency, delivery reliability, and contract outcomes, although inconsistencies in delivery and payment communication persist. Contract management practices emerged as the strongest predictor ($p = 0.000$), underscoring the importance of contract clarity, monitoring, and compliance. The study concludes that despite the presence of procurement structures, performance is constrained by operational inefficiencies and lack of standardization. It recommends institutionalizing supplier development programs, strengthening negotiation capacity through training and data-driven tools, and adopting standardized, digital contract management systems.

Keywords: Electronic Procurement, supplier relationship, negotiation practices, contract management.

1. INTRODUCTION

Public procurement constitutes a significant component of national economies, accounting for approximately 13% of GDP in OECD countries (Pilichowski, 2022). The growing demand for efficiency, accountability, and transparency in public financial management has intensified the need for effective procurement performance measurement systems. However, many countries still lack structured systems based on clear performance indicators, which has prompted continuous reforms aimed at improving procurement efficiency (Ong'era & Musili, 2017; Muthoka & Mutuku, 2023). Globally, procurement systems have evolved to enhance cost efficiency, competitiveness, and the quality of public service delivery (OECD, 2019; Capone, 2016). Evidence from countries such as China and Ghana demonstrates that strong procurement planning, monitoring mechanisms, and robust legal frameworks significantly influence procurement outcomes, although challenges such as weak enforcement and non-compliance persist (Gouhua, 2019; Awuah et al., 2022). In Kenya, the Public Procurement and Asset Disposal Act (PPADA), alongside digital platforms such as the Public Procurement Information Portal (PIIP), has strengthened transparency and accountability in procurement processes, although implementation gaps remain (Public Procurement Regulatory Authority, 2024).

Procurement performance is a critical aspect of public financial management, as it directly affects service delivery and the achievement of value for money (Ndei & Mutuku, 2021). Despite notable global progress in procurement reforms, many systems still lack effective performance measurement frameworks (Pilichowski, 2022). Existing evidence indicates that standardized regulations, decentralization, and the alignment of procurement practices with broader policy objectives

contribute to improved efficiency and outcomes (OECD, 2015; OECD, 2019; Watts, 2018). Experiences from China, Ghana, and Kenya further underscore the importance of strong legal frameworks, effective planning, monitoring systems, and transparency mechanisms in enhancing procurement performance, although enforcement challenges continue to limit their effectiveness (Gouhua, 2019; Awuah et al., 2022; Public Procurement Regulatory Authority, 2024).

Strategic procurement has emerged as an integrated approach that aligns procurement activities with organizational objectives in order to enhance efficiency and minimize risks (Kibet & Njeru, 2019; Basheka & Bisangabasaija, 2019). It encompasses key components such as strategic supplier relationships, e-procurement, negotiation, and contract management (Gudda, Keitany & Ombok, 2023; Mungai, 2019; Mueni, 2018). These practices improve supplier selection, enhance transparency, and ensure effective contract implementation. In particular, e-procurement systems streamline procurement processes and improve data management, while strategic negotiation and contract management contribute to achieving optimal procurement outcomes (Corsi, 2006; Lysons & Farrington, 2006; Hotterbeekx, 2013).

Wajir County continues to face significant procurement and financial management challenges, including inadequate documentation, weak internal controls, and non-compliance with procurement regulations (Auditor General, 2022; 2023). Audit reports have highlighted issues such as unsupported expenditures, undisclosed pending bills, and irregularities in asset acquisition processes, all of which undermine transparency, accountability, and efficient resource utilization. These challenges are reflected in increased procurement cycle times, rising procurement costs, and declining supplier reliability within the county. Non-compliance with procurement regulations and poor record-keeping practices further exacerbate these issues (Auditor General, 2022).

Although existing studies confirm that strategic procurement practices positively influence procurement performance, there remains a notable gap in empirical evidence, particularly within Kenyan county governments. This study therefore seeks to examine the influence of strategic procurement practices on procurement performance in Wajir County using both descriptive and inferential analysis, with the aim of addressing these gaps and contributing to improved procurement outcomes.

2. THEORETICAL FRAMEWORK

This study is anchored on the Kraljic Portfolio Model and Dynamic Supply Chain Capabilities Theory. These theories collectively provide a foundation for understanding how strategic procurement practices influence procurement performance.

The Kraljic Portfolio Model, developed by Kraljic (1983), conceptualizes procurement as a strategic function rather than a routine operational activity. The model emphasizes the classification of procurement items based on profit impact and supply risk, enabling organizations to develop appropriate sourcing strategies. It categorizes items into strategic, bottleneck, leverage, and non-critical groups, each requiring distinct management approaches. By aligning procurement strategies with supplier market conditions and organizational capabilities, the model enhances supply security and cost efficiency. Despite its strengths, the model has been criticized for its rigidity in dynamic market environments (Gelderman & Van Weele, 2003). Nevertheless, it remains relevant in guiding supplier relationship strategies and improving procurement outcomes, particularly in public sector institutions such as county governments.

The Dynamic Supply Chain Capabilities Theory, rooted in the work of Teece (1997) and further developed by Kirchoff (2016) and Schuler et al. (2005), emphasizes the ability of organizations to adapt to changing environments through the effective management of resources and capabilities. The theory highlights the importance of managerial competencies in responding to market disruptions and maintaining competitive advantage. It underscores the need for organizations to integrate new technologies, foster stakeholder relationships, and continuously improve procurement processes. Although the theory has been critiqued for its limited practical clarity, it provides a valuable framework for understanding how procurement managers can enhance performance through adaptability and innovation.

2.1 Empirical Review

Empirical literature demonstrates that strategic procurement practices significantly influence procurement performance across various sectors. Supplier relationship management, for instance, has been shown to enhance procurement efficiency and service delivery. Audi (2021) found that supplier management, alongside other procurement practices, significantly contributed to procurement performance in multinational companies in Kenya. Similarly, Orwa and Muiruri (2020)

established that strong supplier relationships positively influenced performance in microfinance institutions. Kipkemoi (2019) further highlighted the importance of supplier selection and information sharing in improving organizational performance. However, many of these studies are limited in scope, focusing on specific sectors or organizations, thereby necessitating broader research across public sector institutions.

E-procurement practices have also been widely associated with improved procurement performance. Noor, Guyo, and Iravo (2020) found that e-procurement systems enhanced efficiency, reduced costs, and improved inventory management in Kenyan state corporations. Waiganjo and Wakabira (2019) similarly reported that effective e-procurement planning, controls, and staff training significantly improved organizational performance within the National Police Service. Additionally, Muhia and Afande (2020) established that e-procurement systems improved response times, information flow, and overall efficiency in the Kenya Revenue Authority. Despite these positive findings, most studies focus on specific institutions, indicating a need for more comprehensive research across different public sector entities.

Negotiation practices have been identified as another critical determinant of procurement performance. Seshadri (2021) found that cooperative negotiation approaches enhanced both efficiency and effectiveness in procurement processes. Mbogo, Wario, and Iravo (2020) also reported a positive relationship between negotiation strategies and performance in commercial banks in Kenya. Similarly, Atkin and Rinehart (2019) demonstrated that cooperative negotiation strategies improved supplier relationships and contract outcomes. However, existing studies often focus on private sector or international contexts, highlighting the need for further research in public sector environments, particularly within Kenya.

Contract management practices play a vital role in ensuring procurement effectiveness and accountability. Hassan and Omwenga (2023) established that effective contract management significantly improved procurement performance in Kenyan state corporations. Kimundu and Moronge (2019) also found a strong positive relationship between contract relationship management and procurement performance in manufacturing firms. Furthermore, Agbanyo and Obeng (2019) demonstrated that improved contract management reduced corruption and enhanced efficiency in public procurement in Uganda. Kipkemoi (2018) highlighted the importance of staff competence and resource availability in successful contract administration. Despite these findings, most studies are context-specific, underscoring the need for broader empirical analysis across different sectors and regions.

The empirical literature indicates that strategic procurement practices including supplier relationship management, e-procurement, negotiation, and contract management have a significant positive impact on procurement performance. However, existing studies reveal contextual, methodological, and geographical gaps, particularly within county governments in Kenya. This study seeks to address these gaps by examining the influence of strategic procurement practices on procurement performance in Wajir County Government using both descriptive and inferential approaches.

3. RESEARCH METHODOLOGY

This study employed a combination of descriptive and explanatory research designs to investigate how strategic procurement practices influence procurement performance within Wajir County Government. The descriptive design allowed for a detailed understanding of procurement practices, while the explanatory design assessed the causal impact of these practices on performance outcomes. The target population comprised all 77 employees involved in procurement activities, including 65 procurement officers and 11 chief officers. Given the manageable population size, a census approach was applied to ensure comprehensive coverage and minimize sampling errors. Data was collected using a semi-structured questionnaire with Likert-scale items, covering supplier relationship practices, e-procurement adoption, negotiation strategies, contract management practices, and procurement performance. A pilot study with eight respondents from Garissa County helped refine the instrument, ensuring clarity and reliability. Cronbach's Alpha values for all constructs exceeded the recommended 0.7 threshold, confirming the internal consistency of the instrument. Quantitative data were analyzed using SPSS, employing descriptive statistics such as frequencies, percentages, means, and standard deviations. Regression analysis examined the relationships between procurement practices and performance, while qualitative responses were analyzed thematically to identify recurring patterns. Diagnostic tests, including multicollinearity, heteroscedasticity, autocorrelation, and normality checks, ensured the robustness and validity of the regression results. Ethical considerations were strictly observed. Participants provided informed consent, and confidentiality and anonymity were maintained throughout the study. The research upheld integrity and objectivity, ensuring the protection of respondents while generating reliable and valid findings.

4. RESEARCH FINDINGS AND DISCUSSION (SUMMARY)

4.1 Descriptive Results

4.1.1 Strategic Supplier Relationship Practices

Table 1: Strategic Supplier Relationship Practices

Statement	Mean	Std. Dev
The county government involves suppliers in the decision-making processes.	3.7152	0.72216
Suppliers play an active role in the supply chain strategy	3.6966	0.48137
The county government collaborate with suppliers on product development	3.7991	0.32586
Suppliers are involved in the design of new products	3.7234	0.34265
The county government shares relevant information with suppliers	3.6898	0.39586
Suppliers have access to necessary information about the county government operations	3.7117	0.53195
The county government invests in developing the suppliers' capabilities	3.5678	0.45675
Suppliers are supported in improving their skills and technologies	3.4456	0.55567
Aggregate Score	3.6687	0.47653

The findings indicate a moderate adoption of strategic supplier relationship practices ($M = 3.6687$). Collaboration in product development and supplier involvement in design were highly rated, reflecting strong engagement in innovation-oriented procurement. Information sharing was also moderately practiced. However, supplier capacity development scored lower, indicating limited investment in enhancing supplier capabilities.

These findings are consistent with Orwa and Muiruri (2020), who found that effective supplier relationship management positively influences operational performance. Similarly, Kipkemoi (2019) emphasized the importance of information sharing in supply chain effectiveness. However, the limited focus on supplier development reflects concerns raised by Audi (2021) regarding gaps in procurement strategy implementation. The need for contextualized approaches, as noted by Dorée (2019), is also evident.

4.1.2 Strategic Negotiation Practices

Table 2: Strategic Negotiation Practices

Statement	Mean	Std. Dev
The county government negotiate and agree on prices with suppliers	3.9100	0.52204
Delivery periods are clearly negotiated and agreed upon	3.8724	0.56551
The county government have established and agreed payment terms with their suppliers	3.7177	0.51180
Prices are agreed upon before procurement transactions	3.8815	0.47701
Suppliers adhere to agreed delivery timelines	3.4911	0.49543
Payment terms are clearly communicated and adhered to	3.2961	0.50011
Aggregate Score	3.6948	0.51198
Statement	Mean	Std. Dev

The results demonstrate moderately strong negotiation practices ($M = 3.6948$), particularly in pricing and delivery agreements. However, gaps in implementation are evident in supplier compliance with delivery timelines and payment terms.

These findings align with Seshadri (2021), Mbogo Wario and Iravo (2020), and Atkin and Rinehart (2019), who emphasize the role of effective and cooperative negotiation in enhancing procurement performance and supplier relationships.

4.1.3 Strategic Contract Management Practices

Table 3: Strategic Contract Management Practices

Statement	Mean	Std. Dev
The county government has effective processes for contract administration	3.5889	0.48787
The county government has adhered to industry standards in their contract management	3.1151	0.49116
The county government has continuously improved their contract management practices	3.1979	0.51371
The county government contracts are well-formulated and clearly defined	3.3103	0.51028
Contracts are managed efficiently throughout their lifecycle	3.1079	0.41939
Standards are applied consistently in contract practices	3.4104	0.42765
The county government actively seeks ways to enhance contract management	3.4487	0.51030
Contracts are drafted comprehensively to avoid ambiguities	3.5670	0.54328
Aggregate Score	3.3433	0.48796

The findings reveal a moderate application of contract management practices ($M = 3.3433$). Strengths exist in contract clarity and improvement efforts, while weaknesses in lifecycle management and adherence to standards persist.

These results are supported by Hassan and Omwenga (2023), Kimundu and Moronge (2019), and Agbanyo and Obeng (2019), who highlight the critical role of contract management in procurement efficiency. Kipkemoi (2018) further explains that resource constraints may limit effective contract implementation.

4.1.4 Procurement Performance

Table 4: Procurement Performance

Statement	Mean	Std. Dev
Goods are delivered on time as per procurement agreements	3.0302	0.55007
The quality of products received meets expectations	3.0703	0.53287
The county government has achieved cost savings through procurement processes	3.0033	0.66811
Goods are delivered on time as per procurement agreements	3.0010	0.49544
The county government procurement practices effectively manage costs	3.2342	0.54344
Goods are consistently delivered within agreed timelines	3.0054	0.65456
Suppliers consistently deliver high-quality products	3.1008	0.45657
Aggregate Score	3.4578	0.48868

Procurement performance is moderate ($M = 3.4578$), with relatively stronger outcomes in cost management and quality. However, timeliness and cost-saving challenges remain. These findings are consistent with Hassan and Omwenga (2023), Kimundu and Moronge (2019), Agbanyo and Obeng (2019), and Kipkemoi (2018).

4.2 Inferential Analysis

4.2.1 Correlation Analysis

Table 5: Correlation Analysis Results

Variables	Supplier Relationship	Negotiation	Contract Management	Procurement Performance
Supplier Relationship	1			
Negotiation	0.231*	1		
Contract Management	0.312**	-0.187	1	
Procurement Performance	0.573	0.531	0.599	1

All independent variables show positive and significant relationships with procurement performance ($p < 0.01$), consistent with Mutua et al. (2021), Mwangi and Mugo (2020), and Wanyonyi and Muturi (2019).

4.2.2 Regression Analysis

Table 6: Model Summary

R	R Square	Adjusted R Square	Std. Error	R
0.910	0.828	0.819	1.58626	0.910

The model explains 82.8% of procurement performance variation, indicating strong explanatory power.

Table 7: ANOVA

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	713.258	3	237.753	94.488	0.000
Residual	148.456	59	2.516		
Total	861.714	62			

The regression model is statistically significant ($p < 0.05$).

Table 8: Regression Coefficients

Variable	B	Std. Error	Beta	t
Constant	8.809	3.940		2.236
Supplier Relationships Practice	0.653	0.308	0.136	2.118
Negotiation Practice	1.417	0.184	0.473	7.703
Contract Management Practices	1.184	0.104	0.651	11.435

All predictors significantly influence procurement performance, with contract management practices emerging as the strongest predictor, followed by negotiation and supplier relationships. These findings support Orwa and Muiruri (2020), Seshadri (2021), and Hassan and Omwenga (2023).

5. CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

The study concludes that supplier relationship practices have a positive and statistically significant effect on procurement performance ($p = 0.038$). The positive coefficient indicates that enhanced supplier engagement through trust, transparency, and consistent communication improves procurement outcomes. However, the relatively low standardized beta ($\beta = 0.136$) suggests that while these practices are important, their influence is supportive rather than primary. Supplier relationships therefore function as a foundational element that enables the effectiveness of other strategic procurement practices. Strengthening supplier development, joint problem-solving, and collaborative planning can further enhance their contribution.

The findings also reveal that negotiation practices have a strong and statistically significant impact on procurement performance ($p = 0.000$; $\beta = 0.473$). This indicates that organizations that invest in negotiation capacity, adopt data-driven strategies, and maintain flexibility in supplier engagements are more likely to achieve improvements in cost efficiency, product quality, and delivery reliability. Effective negotiation is therefore a critical driver of procurement performance, particularly in dynamic and resource-constrained environments such as county governments.

Furthermore, the study establishes that contract management practices are the most influential predictor of procurement performance ($p = 0.000$; $\beta = 0.651$). This underscores the importance of well-structured contracts, continuous monitoring, performance tracking, and risk management in achieving procurement success. Effective contract management enhances accountability, minimizes disputes, and ensures value for money. Institutionalizing robust contract management systems, supported by continuous training and performance measurement, is essential for sustained procurement efficiency.

5.2 Recommendations

Based on the findings, the study proposes the following recommendations:

To strengthen supplier relationship practices, the County Chief Officer in Finance and Economic Planning and the Director of Supply Chain Management should institutionalize supplier development programs. These should include regular supplier forums, training initiatives, and joint performance evaluations to enhance collaboration and trust. Additionally, the County

Public Procurement Oversight Committee should develop policy guidelines that promote long-term supplier partnerships rather than transactional engagements. This will improve reliability, innovation, and overall supply chain efficiency.

Regarding negotiation practices, the County Human Resource Directorate, in collaboration with the Procurement Department, should invest in continuous professional development and structured negotiation training for procurement officers. The County Executive Committee Member (CECM) for Public Service Management should allocate dedicated resources for negotiation capacity building and adoption of data-driven negotiation tools. This will enhance the ability of procurement staff to secure favorable terms, optimize costs, and effectively manage complex supplier interactions.

To improve contract management practices, the County Legal Department, in partnership with the Procurement Unit, should establish a standardized contract management framework supported by automated contract tracking systems and centralized contract databases. The County Internal Audit Unit should conduct regular (e.g., quarterly) compliance audits and report findings to the County Public Accounts Committee. Furthermore, the County Assembly's Committee on Finance and Budget should strengthen legislative oversight by enforcing contract performance standards and penalties for non-compliance. These measures will enhance accountability, ensure timely service delivery, and reduce resource wastage.

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