

EFFECT OF SUPPLIER EVALUATION ON PROCUREMENT PERFORMANCE IN GOVERNMENT MINISTRIES OF RWANDA: A CASE OF MINISTRY OF DEFENCE

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Abstract: In Rwanda, as reported by Rwanda Public Procurement Authority in public institutions; suppliers are in most cases conventionally selected on the basis of low price and less importance is given to the suppliers who give assurance of on time delivery and long term relationships. The question arises in this case as to what criteria the government institutions especially ministries should use in selecting their suppliers for better procurement performance. Supplier evaluation is arguably one of the popularly used approaches of ensuring the right suppliers are awarded contracts and that's the reason why this study focused on the effect of supplier evaluation on procurement performance in government ministries in Rwanda by taking the ministry of defense as case study. The general objective of this study was to analyze the effect of supplier evaluation on procurement performance in the government ministries in Rwanda. The target population for this study equaled to forty respondents including suppliers and procurement staff of the ministry of defense of Rwanda. The researcher collected first hand data using questionnaire and interview. It was concluded that supplier's financial capacity has a positive and significant effect on procurement performance of ministry of defense. Suppliers' financial capacity directly influences their ability to supply the right quantity with the right quality at the right price. Supplier quality commitment has significant effect on procurement performance of ministry of defense of Rwanda. Suppliers' level of quality commitment directly determines the level of quality in products and services obtained through procurement activities; product quality is just an aspect of procurement performance. The study concluded that supplier's competence has a significant effect on procurement performance of the ministry of defense. Supplier competence determines the understanding and satisfaction of buyer's needs that is measured in terms of efficiency and effectiveness of the procurement practices. The study recommends that supplier evaluation should be done by experts who are knowledgeable and have expertise to conduct the exercise professionally. This is because supplier selection and evaluation is a process vulnerable to personal and political interference especially in the public sector. Quality commitment must be considered as a critical factor in supplier evaluation and supplier selection. The researcher recommends that supplier competence should be considered when awarding supply contracts. It should form the basis of awarding contracts. This is because the level of suppliers' competence determines the suppliers' ability to understand user needs and enhances their ability to satisfy supply needs of the procuring organizations.

Keywords: Supplier, Supplier Evaluation, Procurement Performance.

1. INTRODUCTION

Supplier evaluation is perceived as a tool which provides the buying firm with a better understanding of "which suppliers are performing well and which suppliers are not performing well" but different studies reveal that even after having carried out an in-depth supplier evaluation plus appraisal coupled with the enactment of Rwanda Public Procurement and

other policies on supplier evaluation, inefficiencies still exist ranging from supplies being made halfway or even termination of contracts before conclusion. Any organizational success often hinges on the most appropriate selection of its partners and suppliers. Procurement is an increasingly important activity within the government ministries, and severe financial and operational consequences can result from the failure to optimize the procurement function. Specifically, appropriate suppliers selection is one of the fundamental strategies for enhancing the quality of output of any organization, which has a direct influence on the company's competitiveness and reputation (Adamyan, 2002).

One of the techniques used by organizations to select best suppliers is supplier evaluation. Supplier evaluation is the quantitative and qualitative assessment of suppliers to ensure a portfolio of best in class suppliers is available for use (Kemunto, 2014). To sustain effective and reliable sources of supplies, buyers should select their suppliers carefully and evaluate them regularly (Humphreys, 2003). The concept of supplier evaluation has gained popularity among practitioners and even scholars (Humphreys, 2003). In Malaysia, for instance, Junli (2008) conducted a study to assess the impact of supplier evaluation on business performance among private hospitals. In Nigeria, the study conducted by Akenroye et al. (2012) on supply chain practices identified supplier evaluation and a critical supply chain activity that every organization must engage in. Nyeko (2014) associated procurement performance with effectiveness and efficiency procurement operations. On the other hand, Muma et al. (2014) and Osuga et al. (2015) pointed out that procurement operational performance is associated with reduced procurement costs and improved achievement of procurement organizational goals respectively.

2. STATEMENT OF THE PROBLEM

Suppliers are important stakeholders whose operations can impact the overall performance of a given procurement function. The choice of an organization's supplier should be guided by an elaborate evaluation of the potential suppliers since the suppliers can impact the performance of any procurement function or process. Delayed deliveries, poor quality products or services, non-completion of orders and even threats of litigation due to delayed payments is a common scenario experienced by public institutions. In 2015, Rwanda Public Procurement Authority reported that that up to 20% of procurement inefficiencies in public sector in Rwanda are attributed to supplier's performance issues. There is therefore concern as to what can be done to reduce supplier related procurement issues. One of the ways through which organizations strive to reduce supplier related inefficiencies is through evaluation of suppliers. In ideal situations, supplier evaluation is expected to positively influence procurement performance. However it puzzling to note that the relation has not been the case as various studies revealed mixed findings with some indicating significant positive relationship while other indicate insignificant relationship.

In Rwanda, as reported by Rwanda Public Procurement Authority (RPPA), in public institutions; suppliers are in most cases conventionally selected on the basis of low price and less importance is given to the suppliers who give assurance of on time delivery and long term relationships. The question arises in this case as to what criteria the government ministries should use in selecting their suppliers for better procurement performance. Supplier evaluation is arguably one of the popularly used approaches of ensuring the right suppliers are awarded contracts and that's the reason why this study focused on the effect of supplier evaluation on procurement performance in government ministries in Rwanda by taking the ministry of defense as case study.

3. OBJECTIVES OF THE STUDY

3.1 General objective:

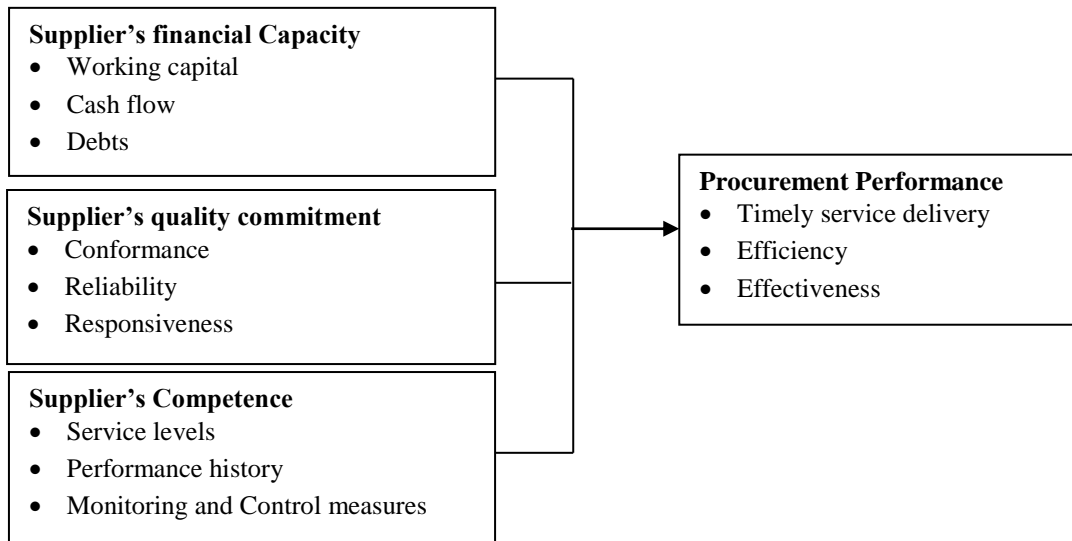
The general objective of this study was to analyze the effect of supplier evaluation on procurement performance in the government ministries in Rwanda.

3.2 Specific objectives:

1. To analyze the effect of Supplier's financial capacity on procurement performance in the ministry of defense
2. To assess the effect of supplier's quality commitment on procurement performance in the ministry of defense
3. To determine the effect of supplier's competence on procurement performance in the ministry of defense

4. CONCEPTUAL FRAMEWORK

Supplier Evaluation:



5. RESEARCH METHODOLOGY

- **Research Design:** In this research, a mixed method with a convergent design was used since an exclusively quantitative approach would not be enough to collect data on the effect of supplier evaluation on procurement performance in government ministries in Rwanda by taking into consideration the ministry of defense.
- **Target Population:** The target population for this study will be forty (40) respondents including suppliers and procurement staff of the ministry of defense of Rwanda.
- **Sample size:** During this research, as the target population was quite small in numbers, the researcher decided to adopt a census where all population was considered as sample size.
- **Data Collection Instruments:** The researcher collected first hand data using questionnaire and interview
- **Data processing and analysis:** The primary data collected have been checked and cleaned. Data were then summarized, coded and tabulated. Means, standard deviations and frequency distribution were used to analyze data. Data presentation was done by the use of frequency tables for easy understanding and interpretations. Linear regression was used to establish the relationship between the independent and dependent variables.

6. SUMMARY OF RESEARCH FINDINGS

6.1 Demographic data:

Table 1: Distribution of Respondents by gender

Sex	Frequency	Percentage	Cumulative Percentage
Female	16	40.0%	40.0%
Male	24	60.0%	100.0 %
Total	40	100.0%	100%

Source: Field Data (2018)

The Table 1 shows that in 40 respondents; 60% of them were male while 40% were female. The majority respondents were male.

Table 2: Working experience of respondents with Ministry of Defense

Years	Frequency	Percentage	Cumulative Percentage
One to two years	5	12.5	12.5
Two to three years	23	57.5	70.0
Above three years	12	30.0	100.0
Total	40	100.0	

Source: Field Data (2018)

The findings in Table 2 revealed that 57.5% of all respondents have been working with the Ministry of Defense for a period between two to three years, 30% of all respondents have been working with the Ministry of Defense for a period above three years while only 12.5% of all respondents have been working with the Ministry of Defense for a period between one to two years.

6.2 Assessment of the effect of Supplier’s financial capacity on procurement performance:

Table 3: Evaluation of the supplier’s working capital before award of a tender

Agreement	Frequency	Percentage	Cumulative Percentage
Strongly agree	25	62.5%	62.5%
Agree	10	25.0%	87.5%
Neutral	2	5.0%	92.5%
Disagree	3	7.5%	100%
Total	40	100%	100%

Source: Field Data (2018)

The findings from Table 3 revealed that 62.5% of all respondents strongly agreed that in the Ministry of Defense they evaluate the supplier’s working capital before the award of a tender; 25% of all respondents agreed that in the Ministry of Defense they evaluate the supplier’s working capital before the award of a tender; 7.5% of all respondents disagreed in the Ministry of Defense they evaluate the supplier’s working capital before the award of a tender while only 5% of all respondents were neutral to the statement. It is clear that the majority of all respondents which is equal to 87.5% of all respondents agreed that in the Ministry of Defense they evaluate the supplier’s working capital before the award of a tender which is a good strategy that leads to procurement performance.

Table 4: Evaluation of the supplier’s cash flow before the award of a tender

Agreement	Frequency	Percentage	Cumulative Percentage
Strongly agree	3	7.5%	7.5%
Agree	21	52.5%	60.0%
Disagree	9	22.5%	82.5%
Strongly disagree	7	17.5%	100%
Total	40	100%	100%

Source: Field Data (2018)

The findings from Table 4 revealed that 52.5% of all respondents agreed that in the Ministry of Defense they evaluate the supplier’s cash flow before the award of a tender; 7.5% of all respondents strongly agreed that in the Ministry of Defense they evaluate the supplier’s cash flow before the award of a tender; 22.5% of all respondents disagreed that in the Ministry of Defense they evaluate the supplier’s cash flow before the award of a tender and 17.5% of all respondents strongly disagreed that in the Ministry of Defense they evaluate the supplier’s cash flow before the award of a tender.

Table 5: Evaluation of the supplier’s debts before the award of a tender

Agreement	Frequency	Percentage	Cumulative Percentage
Strongly agree	24	60%	60.0%
Agree	10	25%	85.0%
Disagree	6	15.0	100%
Total	40	100.0	100%

Source: Field Data (2018)

The findings from Table 5 revealed that majority of the respondents which is equal to 60% strongly agreed that in the Ministry of Defense they evaluate the supplier’s debts before the award of a tender; 25% of all respondents agreed that in the Ministry of Defense they evaluate the supplier’s debts before the award of a tender while only 15% of all respondents disagreed that in the Ministry of Defense they evaluate the supplier’s debts before the award of a tender.

Table 6: Descriptive Statistics on effect of supplier’s financial capacity on procurement performance

Indicators	N	Minimum	Maximum	Mean	Std. Deviation
Working capital	40	1	4	1.58	.903
Cash flow	40	1	5	2.90	1.336
Debts	40	1	4	1.70	1.067
Valid N (list wise)	40				

Source: Field Data (2018)

The findings from Table 6 demonstrated that the mean values for the first, second and the third statements are 1.58, 2.90 and 1.70 that are respectively rounded off to 2 (the code for agree) and 3 (the code for neutral) on financial capacity, supplier’s debts and cash flow before the award of a tender. The standard deviation of all statements is above 0.5 meaning that respondents’ answers on these statements were far different from the mean, in other words, their answers to the statement were heterogamous. This means that respondents’ views on the above statements were varied.

Table 7: Correlation between supplier’s financial capacity and procurement performance

Variables	Supplier Financial Capacity	Procurement performance
Supplier Financial Capacity	Pearson Correlation	.786**
	Sig. (2-tailed)	.000
	N	40
Procurement performance	Pearson Correlation	.786**
	Sig. (2-tailed)	.000
	N	40
	40	40

Source: Field Data (2018)

The findings from Table 7 revealed that the results of correlation between supplier’s financial capacity and procurement was at 0.786 mean that supplier’s financial capacity affects procurement performance at the level of 78.6% which prove a significant relationship between the effects of supplier’s financial capacity and procurement performance in the Ministry of Defense. If the researcher considers the level of significance which is 0.05; there is therefore a significant relationship between them because their p-value (0.000) is statistically significant at 5% level of significance.

6.3 Analysis of the effect of supplier’s quality commitment on procurement performance in the ministry of defense:

Table 8: Evaluation of the supplier’s quality conformance

Agreement	Frequency	Percentage	Cumulative Percentage
Strongly agree	25	62.5%	62.5%
Agree	11	27.5%	90%
Neutral	4	10%	100%
Total	40	100	

Source: Field Data (2018)

The findings from Table 8 revealed that 62.5% of all respondents strongly agreed that in the Ministry of Defense they use to evaluate the supplier’s quality conformance; 27.5% of all respondents agreed that agreed that in the Ministry of Defense they use to evaluate the supplier’s quality conformance while only 10% were neutral to the statement.

Table 9: Evaluation of the supplier’s quality reliability

Agreement	Frequency	Percentage	Cumulative Percentage
Strongly agree	21	52.5%	52.5%
Agree	13	32.5%	85%
Disagree	6	15%	100%
Total	40	100.0	

Source: Field Data (2018)

According to the information from Table 9; 52.5% of all respondents strongly agreed that in the Ministry of defense they evaluate the supplier’s quality reliability; 32.5% of all respondents agreed that in the Ministry of defense they evaluate the supplier’s quality reliability while only 15% of all respondents disagreed that in the Ministry of defense they evaluate the supplier’s quality reliability.

Table 10: Evaluation of the supplier's quality responsiveness

Agreement	Frequency	Percentage	Cumulative Percentage
Strongly agree	17	42.5%	42.5%
Agree	14	35%	77.5%
Disagree	3	7.5%	85%
Strongly disagree	6	15%	100%
Total	40	100%	100%

Source: Field Data (2018)

The findings in Table 10 revealed that 42.5% of all respondents strongly agreed that in the Ministry of Defense they evaluate the supplier's quality responsiveness; 35 % of all respondents agreed that in the Ministry of Defense they evaluate the supplier's quality responsiveness; 7.5% of all respondents disagreed that in the Ministry of Defense they evaluate the supplier's quality responsiveness and finally 15% of all respondents strongly disagreed that in the Ministry of Defense they evaluate the supplier's quality responsiveness.

Table 11: Descriptive Statistic effect of supplier's quality commitment on procurement performance

Indicators	N	Minimum	Maximum	Mean	Std. Deviation
Quality conformance	40	1	3	1.47	.679
Quality reliability	40	1	4	1.78	1.050
Quality responsiveness	40	1	5	2.18	1.448
Valid N (list wise)	40				

Source: Field Data (2018)

Based on the findings from the Table 11 above revealed that all statements are approximately equal to 2 which is the code of agree. This means that in general respondents have agreed that they evaluate supplier's quality conformance, quality reliability and quality responsiveness. The standard deviation of all statements is above 0.5 meaning that respondents' answers on these statements were far different from the mean, in other words, their answers to the statement were heterogeneous. This means that respondents' views on the above statements were varied.

Table 12: Correlation between supplier's quality commitment and procurement performance

Variables	Supply Quality Conformance	Procurement performance
Supply Quality Conformance	Pearson Correlation	.790**
	Sig. (2-tailed)	.000
	N	40
Procurement performance	Pearson Correlation	.790**
	Sig. (2-tailed)	.000
	N	40

Source: Field Data (2018)

The findings from Table 12 revealed that the results of correlation between supplier's quality commitment and procurement performance was at 0.790 mean that quality commitment affects procurement performance at the level of 79% which prove a significant relationship between the supplier's quality commitment and procurement performance. If the researcher considers the level of significance which is 0.05, there is therefore a significant relationship between them because their p-value (0.000) is statistically significant at 5% level of significance

6.4 Determination of the effect of supplier' competence on procurement performance in the ministry of defense:

Table 13: Evaluation of the supplier's quality service levels

Agreement	Frequency	Percentage	Cumulative Percentage
Strongly agree	8	20%	20%
Agree	19	47.5%	67.5%
Disagree	13	32.5%	100%
Total	40	100.0	

Source: Field Data (2018)

The results from Table 13 demonstrated that 47.5% of all respondents agreed that in the Ministry of Defense they evaluate the supplier's quality service levels; 20% of all respondents strongly agreed that in the Ministry of Defense they evaluate the supplier's quality service levels while only 32.5% of all respondents disagreed that in the Ministry of Defense they evaluate the supplier's quality service levels.

Table 14: Evaluation of supplier's performance based on previous works accomplished

Agreement	Frequency	Percentage	Cumulative Percentage
Strongly agree	15	37.5%	37.5%
Agree	19	47.5%	85%
Disagree	6	15%	100%
Total	40	100.0	100%

Source: Field Data (2018)

According to the information from Table 15; 47.5% of all respondents agreed that in the ministry of defense they evaluate the supplier's performance based on the evidence from previous works accomplished; 37.5% of all respondents strongly agreed that in the ministry of defense they evaluate the supplier's performance based on the evidence from previous works accomplished while only 15% % of all respondents disagreed that in the ministry of defense they evaluate the supplier's performance based on the evidence from previous works accomplished. It is clear that the majority of respondents which is equal to 85% of all respondents confirmed that in the ministry of defense they evaluate the supplier's performance based on the evidence from previous works accomplished and this a good practice which may provide the real image of the supplier before awarding the tender.

Table 15: Having tight monitoring and control measures to monitor the supplier

Agreement	Frequency	Percentage	Cumulative Percentage
Strongly agree	25	62.5%	62.5%
Agree	13	32.5%	100%
Neutral	2	5%	67.5%
Total	40	100%	100%

Source: Field Data (2018)

The findings from Table 15 indicate that 62.5% of all respondents strongly agreed that in the ministry of defense they have tight monitoring and control measures to monitor and evaluate the supplier; 32.5% of all respondents agreed that in the ministry of defense they have tight monitoring and control measures to monitor and evaluate the supplier while only 5% of all respondents were neutral on the statement in the ministry of defense they have tight monitoring and control measures to monitor and evaluate the supplier.

Table 16: Descriptive Statistic on effect of supplier' competence on procurement performance

Indicators	N	Minimum	Maximum	Mean	Std. Deviation
Quality Service levels	40	1	4	2.45	1.154
Performance history	40	1	5	2.08	1.328
Tight monitoring and control measures	40	1	4	2.07	1.421
Valid N (list wise)	40				

Source: Field Data (2018)

According to the information from Table 16 above, all statements are approximately equal to 2 which is the code of agree. This means that mainly respondents have agreed that evaluation of the supplier's quality service levels, evaluation of supplier's performance based on previous works accomplished and having tight monitoring and control measures to monitor the supplier. The standard deviation of all statements is above 0.5 meaning that respondents' answers on these statements were far different from the mean, in other words their answers to the statement were heterogeneous. This means that respondents' views on the above statements were varied.

Table 17: Correlation between supplier' competence and procurement performance

Variable		Supplier Competence	Procurement performance
Supplier Competence	Pearson Correlation	1	.838**
	Sig. (2-tailed)		.000
	N	40	40
Procurement performance	Pearson Correlation	.838**	1
	Sig. (2-tailed)	.000	
	N	40	40

Source: Field Data (2018)

The findings in Table 17 revealed that the results of correlation between supplier's competence and procurement performance was at 0.838 mean that supplier's competence was at the level of 83.8% which prove a significant relationship between supplier's competence and procurement performance. If the researcher considers the level of significance which is 0.05, there is a significant relationship between them because their p-value (0.000) is statistically significant at 5% level of significance.

Table 18: Descriptive Statistic on procurement performance

Indicators	N	Minimum	Maximum	Mean	Std. Deviation
Timely service delivery	40	1	4	2.18	1.083
Efficiency	40	1	5	2.58	1.517
Effectiveness	40	1	4	2.18	1.152
Valid N (list wise)	40				

Source: Field Data (2018)

According to the findings in Table 18, the mean values for the first, second and the third statements are 2.18 and 2.58 that are respectively rounded off to 2 (the code for agree) and 3 (the code for neutral) on procurement performance, the standard deviation of all statements is above 0.5 meaning that respondents' answers on these statements were far different from the mean. In other words their answers to the statement were heterogamous. This means that respondents' views on the above statements were varied

6.5 Estimated parameters between supply financial capacity, supplier quality conformance and supplier competence and procurement performance:

Table 19: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.949 ^a	.900	.892	.357

Source: Field Data (2018)

a. Predictors: (Constant), Supplier's financial capacity, supplier's quality commitment and supplier's competence. The findings from Table 19; An $R^2 = 0.900$, indicates that 90.0% of Supplier's financial capacity, supplier's quality commitment and supplier's competence can be explained by the procurement performance leaving only 10% of the variation in the dependent variable being explained by the error-term or other variables in the ministry of defense.

Table 20: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	41.191	3	13.730	107.825	.000 ^b
Residual	4.584	36	.127		
Total	45.775	39			

Source: Field Data (2018)

a. Predictors: (Constant), Supplier's financial capacity, Supplier's quality commitment and Supplier's competence.

b. Dependent Variable: Procurement performance

The findings in Table 20 shows that predictors Supplier’s financial capacity, Supplier’s quality commitment and Supplier’s competence have an effect on dependent variable which is pprocurement performance. This is statistically significant with a p-value (.000).

Table 21: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients t	Sig.
	B	Std. Error	Beta	
(Constant)	.616	.144		4.268 .000
Supplier’s financial capacity	.055	.083	.068	.659 .514
Supplier’s quality commitment	.803	.117	1.073	6.887 .000
Supplier’s competence	-.167	.106	-.205	-1.583 .122

Source: Field Data (2018)

a. Dependent Variable: Procurement performance

6.6 Discussion of results:

The results indicate that supplier’s financial capacity, supplier’s quality commitment and supplier’s competence have significant effect on procurement performance with a positive coefficient of determination of 0. 949 since the findings in Table 21 indicates that there is a strong and positive correlation between supplier’s financial capacity, supplier’s quality commitment and supplier’s competence with procurement performance. The coefficients of independent variables (Supplier’s Financial Capacity, Supplier’s Quality Commitment and Supplier Competence) β_1, β_2 and β_3 are respectively 0. 055; 0. 803 and -0.167 with a statistically significant ($p = 0.00$). Therefore, the model equation derived is: $y = 0.616 + 0.055x_1 + 0.803x_2 - 0.167x_2 + e$. The positive coefficient further demonstrates that an increase of 1% in the supplier’s financial capacity attributed to 0. 055% improvement in procurement performance the t-statistic value (0.659) indicates the effect is statistically significant at 95% confidence level. An increase of 1% in supplier’s quality commitment will increase procurement performance given by 0.803 % at a high t-statistic value (6.887) indicates the effect is statistically significant at 95% confidence level while a coefficient demonstrates that a 1% decrease supplier’s competence of 0.167 on procurement performance at t-statistic value (-1.583) indicates the confidence level of 95%. It means that the effect is statistically significant.

7. CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions:

According to the interpretation and analysis of collected data during the course of this study; the researcher came up with the following conclusions:

It was concluded that supplier’s financial capacity has a positive and significant effect on procurement performance of ministry of defense. Suppliers’ financial capacity directly influences their ability to supply the right quantity with the right quality at the right price. However, the effect would be significant for organizations that deal with physical products. Aspuro (2015) points out that analysis suppliers’ financial capacity protects manufacturing organizations from potential risks associated with a supplier and protects the organization from costs and financial risks. Suppliers are more likely to be committed or achieve improved performance, and have predictable deliveries and performance (Jack, 2011).

Supplier quality commitment has significant effect on procurement performance of ministry of defense of Rwanda. Suppliers’ level of quality commitment directly determines the level of quality in products and services obtained through procurement activities; product quality is just an aspect of procurement performance. These findings are in line with the findings of Kitheka et al (2013) that the effect of supplier quality commitment is significant for organizations with documented strategies of supplier evaluation. He pointed out that from supplier quality management, an organization may enjoy among other benefits reduced lead times, increased responsiveness to customers, orders and enquiries, customer loyalty, increased profitability, reduced opportunity cost from lost sales and effective communication between the organization suppliers as well as customers.

The study finally concluded that supplier's competence has significant effect on procurement performance of the ministry of defense. Supplier competence determines the understanding and satisfaction of buyer's needs that is measured in terms of efficiency and effectiveness of the procurement practices. It is important that supplying professional have the required skills in supplier relationship management and negotiation so as to be in a position to give optimal value to buyers.

7.2 Recommendations:

The study recommends that supplier evaluation should be done by experts who are knowledgeable and have expertise to conduct the exercise professionally. This is because supplier selection and evaluation is a process vulnerable to personal and political interference especially in the public sector. Quality commitment must be considered a critical factor in supplier evaluation and supplier selection.

The performance management criteria should focus on suppliers' financial capacity as one of the criteria for supplier selection. This is because suppliers' financial capability directly influences the ability of the suppliers to meet organizational needs. There is need to communicated to all stakeholders who are directly involved in procurement operations on the need to consider financial capacity of suppliers.

The researcher recommends that supplier competence should be considered when awarding supply contracts. It should form the basis of awarding contracts. This is because the level of suppliers' competence determines the suppliers' ability to understand user needs and enhances their ability to satisfy supply needs of the procuring organizations.

7.3 Areas for future studies:

The study suggests that comparative studies should be conducted to establish if there is difference in the effect of supplier evaluation on procurement performance between physical product organizations and service organizations and further studies on the effect of supplier evaluation on procurement performance of public universities in Rwanda should be conducted

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