

FACTORS AFFECTING IMPLEMENTATION OF ACCESS TO GOVERNMENT PROCUREMENT OPPORTUNITIES AS A PREFERENTIAL PROCUREMENT POLICY IN KENYA (A CASE OF THE INFORMATION AND COMMUNICATION TECHNOLOGY AUTHORITY)

¹DAVID ODHIAMBO, ²DR. ANAYA W. SENELWA

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

Abstract: The purpose of the research study was to determine factors affecting implementation of Access of Government Procurement Opportunity (AGPO) as a Preferential Procurement Policy. The study objectives were to determine how legal framework, to establish how organizational obstacles, to examine how awareness affect the implementation of AGPO and to determine the extent of the implementation of AGPO as a preferential procurement policy. The research design adopted in this study was a descriptive case study with a target population of 570 staff and suppliers in ICT Authority (ICTA). Stratified random sampling technique was used to determine sample size of 235 and study managed to get 215 respondents. The information for the primary data was obtained using the questionnaires that were distributed to the target population whereas secondary data was retrieved from existing reports of ICTA were used for analysis. The questionnaire was pilot tested to improve the instrument. The Statistical Package for Social Sciences (SPSS) version 20.0. Was used to analyze the data which was presented using tables, frequencies and percentages. Descriptive and inferential statistics were analysed using simple regression analysis to get Pearson's coefficient correlations. The research findings indicated that that legal framework is important in implementation of access procurement openings for youth, women, and PWDs in Kenya. This can be done by setting aside 30% of procurement budget, advertising, reporting contract awards and reporting all procurement. The study recommended the results to the relevant stakeholders such as policy makers in the government and public entities, researchers. Public Procurement Regulatory Authority (PPRA) and the ICT Authority (ICTA). The study concluded by proposing more solutions to the research problems. The study will be significant to the Academicians and scholars who will be interested in carrying further research.

1. INTRODUCTION

Background of the study

The information on the background to the study are statement of the problem, the study objectives, and the research questions, significance of the study and scope of the study. The focus of the study was factors affecting implementation access to government procurement opportunities (AGPO) as a preferential procurement policy in Kenya. The specific factors were legal frameworks, organizational obstacles and awareness. The research project was undertaken at the Information and Communication Technology Authority (ICTA) Office in Nairobi. "Preferential Procurement Policy is a

procurement policy that promotes objectives additional to those associated with the immediate objective of the procurement itself. The procurement of supplies, services and engineering and construction works has been used internationally to support a number of socioeconomic or political (secondary) objectives including; the stimulation of economic activity, the protection of national industry against foreign competition, improving the competitiveness of certain industrial sectors, remedying regional disparities and achieving certain more directly social policy functions such as the fostering of the creation of jobs, the promotion of fair labour conditions and the use of local labour, the prohibition of discrimination against minority groups, the improvement of environmental quality, the encouragement of equality of opportunity between men and women, and the promotion of the increased utilization of the disabled in employment,” (Best Practice Guideline, 2004). According to Magoro (2010), “the primary objectives of the procurement policy that is fair, equitable, transparent, competitive and cost effective are undermined by the secondary objectives of considering categories of groups of people who were previously disadvantaged, including people with disabilities, women and youth.”

Statement of the problem

The Government of Kenya implemented a Preferential Procurement Policy through Public Procurement and Disposal Regulations (Amendment) 2013 whereby 30% of Public Procurement Budget was preserved for youth, women and persons with disabilities to Access Government Procurement Opportunities (AGPO).

“The AGPO program has failed to meet the anticipations set by the Government. According to Ministry of Devolution and Planning report on youth access to government procurement, (2015), between March 2013 and December 2014 out of 30000 youths, women and PWDs who have registered companies only 6000 youths have benefited, while only shillings 3 billion of the shillings 63 billion expenditure reserved to the youth programme last year was used”.

“The much applauded affirmative action to address joblessness by allowing the youth, women and people with disability to supply the government certain goods, works and services is not achieving its desired objectives since those implementing it have failed to address vital aspects of programme implementation,” (Sumba, 2015). Sumba, (2015) “established the influence of the implementation of access to government procurement opportunities programme on business growth in youth owned enterprises in Murang’a South Sub County, Kenya.”

Muraguri, (2013), investigated implementation of the youth preference and reservations policy in public procurement in state owned enterprises in Nairobi.” However, they did not address the factors affecting the implementation of access to government procurement opportunities as preferential procurement policy in Kenya.

Therefore, this study determined legal frameworks, institutional obstacles and awareness as factors affecting implementation of access the government procurement opportunities as a preferential procurement policy in Kenya with a particular focus on ICT Authority in Nairobi.

2. LITERATURE REVIEW

Empirical review

According to Varney, (2011), “Public procurement reform is most likely to succeed when it proceeds through a step process: There has to be support from highest political levels: this is seen as necessary for any organizational change to succeed, as it avoids any doubt about the government’s commitment to reform; Publicity about the advantages of the new system; There is need for cooperation between the public and private sector leading to better understanding of each other’s problems and needs; There is need for good procurement training: to raise the skills of procurement staff and to familiarize suppliers with the requirements of the reformed system; There is need for good procurement legislation: both primary legislation and secondary implementing legislation; and also the need for establishment of a central public procurement office for overall policy making and supervision of public procurement in the country.”

The Public Procurement Oversight Authority (PPOA 2005) review team identified, “the following challenges faced by National Social Security Fund (NSSF) in respect of the implementation of the procurement law and regulations: Inability to translate procurement law and regulations into everyday language, so that management sees and understands the impact to their compliance; inadequate records management and filing systems. Retrieving records for review purposes was slow, time consuming and even for the files made available, some records pertaining to fulfillment of the procurement process were incomplete, limiting the review scope; Lack of operating ICT systems and applications covering all aspects of procurement; Insufficient training in procurement law for the persons involved in the procurement related functions

Inadequate contract management and Insufficient communication and coordination between the parties involved in procurement due to poor information technology infrastructure.”

3. METHODOLOGY

Here the research part deals with which and how the methods are used in the study, it provides a comprehensive discussion by outlining how the data was obtained, validated and verified, the population of the study, sampling frame and sampling techniques, research design strategies. According to Sekaran and Roger (2011), research design is a master plan that specifies the methods and procedures for collecting and analyzing the needed information. The descriptive design was preferred because the questions raised in the study required collecting data through administration of questionnaires to the respondents and also were effective since the study involved quite a large population. A descriptive study was effective since it contributed towards minimizing bias and optimizing on the reliability of data. The study adopted a descriptive research design in establishing the factors affecting implementation of Access of Government Procurement Opportunity (AGPO) as a Preferential Procurement Policy.

Osir,(2015) define target population as all members of real or hypothetical set of people, events or objects to which an investigator wishes to generalize the results. The target population in this case is 518 Suppliers registered by ICT Authority and 52 members of staff. This is because these group chosen represented a better outcome and results for the research they play a great role in the organization.

Data Processing and analysis

Questionnaires were used to gather data because the information was collected from a large sample and a diverse area, in addition confidentiality was upheld. Questionnaires were administered to all the respondents. The people who were sampled filled in the questionnaires provided while being assisted by research assistants where they were unable to interpret the questions during any scheduled meetings, otherwise, the research assistants dropped and picked the questionnaires as agreed. Secondary data was collected through published scholarly articles, journals, newspapers, books and other relevant literature. Issues covered were sequenced and worded to make the data collected systematic.

Data analysis was carried out by use of Statistical package for the social Scientists (SPSS) to obtain descriptive statistics, a summary regression and a multiple linear regression model. SPSS software version 20.0 was used to produce frequencies, descriptive and inferential statistics were used to derive conclusions and generalizations regarding the population. The particular descriptive statistics produced frequencies, mean scores and standard deviation. A multiple linear regression model was used to test the significance relationship of independent variables against the dependent variable.

4. CONCLUSIONS

Specifically, the study concludes that legal framework is important in implementation of access procurement openings for youth, women, and PWDs in Kenya. This can be done by setting aside 30% of procurement budget, advertising, reporting contract awards and reporting all procurement.

Secondly, organizational obstacles were the second important factor that affected youth, women and PWDs access to government procurement opportunities in Kenya. Based on findings, youth, women and PWDs access to procurement openings in Kenya are affected by understaffing of procurement departments, delayed funds, poor planning, financial capability and procurement information accessibility were the major factors that mostly affect implementation of access to government procurement opportunities in public sector in Kenya.

Thirdly, the study also concludes that awareness was the third important factor for youth, women and PWDs access to procurement openings in Kenya. Therefore, training suppliers and procurement staff will be critical in raising awareness on what is needed to do business with the government. In addition, training and capacity building in public entities is critical in ensuring compliance with directives related to the young people, women and the disabled. Thus, the study concludes that providing the right information is important in increasing the chances of securing government contracts and awards. Based on findings it can be concluded that legal frame works, organization obstacles and awareness are factors that affect implementation of access to government procurement opportunities as preferential procurement policy in Kenya.

Finally, meet the goals there is need to take strategic measures to address legal frameworks, organization obstacles and awareness this includes setting aside 30% of procurement budget, advertisement, reporting contracts, reporting all procurement, improvement of access to finance, prompt payment, releasing funds on time, good planning, creation of awareness, communication, sensitization, access to procurement information and training.

Recommendations of the Study

The Study recommends to the ICT Authority to have a communication platform on the accessing procurement openings programme should be enhanced in the digital platforms like social media to ensure that more youth, women and PWDs Suppliers are brought on board. It is recommended that the ICTA should come up with innovative ways of provision of procurement information to be adopted. For instance, social media such as face book and twitter should be used to provide such information to the youth and other stakeholders. The study recommends to that there is need to for sensitization of the youth, women and PWDs by using workshops, seminars and road shows. The study recommends to ICTA that there is need to train youths, women and PWDs technical skills and capacity to participate in bidding for goods, works and services contracts to access the youth access to government procurement opportunities.

Suggestion for further research

The present research remains not exhaustive and hence Academicians and Scholars in this field could conduct future studies. In particular, further study could be done to establish the involvement of other special groups like women or people with disability in the preferential procurement policy. The same research could be done in government ministries for purposes of contrast and comparison.

A study can be conducted to determine factors affecting AGPO implementation in other parastatals; this will help in enhancing implementation of AGPO across the government institution in Kenya. Finally, the same studies could be conducted using a different methodology or in a different location such as one of the EAC (East African Community) country members.

REFERENCES

- [1] Alchian, A. & Demsetz, H. (1972). Production, information costs, and economic organization: *American Economic Review*, 62 (4), 777-795.
- [2] Arrowsmith, S. (2010). Public procurement: *Basic concepts and coverage of procurement rules in procurement relations: An introduction*. EU: Asia Inter University Network.
- [3] Babbie, E. (2004). *The Practice of Social Research*, (10th Ed.): Thomson-Wadsworth, 178-217.
- [4] Bagozzi, R.P. (1994). Structural equation models in marketing research: Basic principles. In R.P. Bagozzi (Ed.), *Principles of Marketing Research*, Oxford: Blackwell. Clarke, T. (2004). *Theories of Corporate Governance: The philosophical foundations of corporate governance*, New York: Routledge, Taylor & Francis Group.
- [5] Constable, S., Passmore, E., & Coats, D. (2008). *Public Value and Local Accountability in the NHS*: London: Work Foundation.
- [6] Cooper Donald R. and Schindler P. S. (2008) *Business Research Methods* 10th Edition. McGraw-Hill.
- [7] Deborah, R. (2008). *Addressing the challenges of policy implementation: Key elements distilled from DECD experience paper presented on improvement of quality of education in Mexico*, pg 1-4.
- [8] Dowling, J. B., & Pfeffer, J. (1975). Organizational legitimacy: Social values and organizational behavior. *Pacific Sociological Review*, 18(1), 122-136.
- [9] Edward III, G. (1980). *Implementing public policy*. Washington: Congressional quarterly press.
- [10] Egonmwan, J. (1971). *Public policy analysis: Concepts and applications*. Benin City: Brothers press.
- [11] Erasmus, B. Swanepoel, B., Schenk, H., Van der Westhuizen, E.J. and Wessels, J.S. (2005). *South African Human Resource Management for the Public Service*, Cape Town: Juta & Co, Ltd.
- [12] Ghauri, P. & Grohaug, K. (2005): *Research Methods in Business Studies: A Practical Guide*, 3rd Ed. London: PrenticeHall

- [13] Gibson, K. (2000). The moral basis of stakeholders' theory: *Journal of Business Ethics*, (26), 245-275.
- [14] Govender, J.N. & Watermeyer, R.B. (2000). Potential procurement strategies for construction industry development in the SADC region.
- [15] Government of Kenya. (2005). *Public Procurement and Disposal Act, 2005*. Nairobi: Government Printer.
- [16] Government of Kenya. (2015). *Public Procurement and Assets Disposal Act, 2015*. Nairobi: Government Printer.
- [17] Government of Kenya. (2006). *Public Procurement and Disposal Regulations 2006*. Nairobi: Government Printer.
- [18] Government of Kenya (2013). *Public Procurement Preference and Reservations (Amendment) Regulation 2013*. Nairobi: Government printer.
- [19] Guthrie, J., Cuganesan, S., & Ward, L. (2007). Extended performance reporting: Evaluating corporate social responsibility and intellectual capital management: *Issues on Social and Environmental Accounting*. 1 (1), 1-25.
- [20] Hanadle, G. (1979). *Implementing analysis: The case of early dose of realism in development administration in international development administration*: New York: Prager.
- [21] Heinrich, C.J. (2007). Measuring public sector performance and effectiveness, in B.G. Peters and J. Pierre (eds) *The Handbook of Public Administration*: London: Sage.
- [22] Hlakudi, N.J. (2012). Preferential Procurement and Emerging enterprises. Masters Dissertation, Johannesburg: University of Witwatersrand.