INFLUENCE OF PROCUREMENT PLANNING ON PROJECT PERFORMANCE OF NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUNDPROJECTS

Leunidah Nyotah Joshua[1], Perris Wambui Chege[2]

[1,2]Department of Management Science, School of Business, Economics and Tourism, Kenyatta University, Kenya

Abstract: **To achieve established governmental developmental goals, it is essential that funded projects align with community priorities and address urgent needs. However, the projects funded by the NG-CDF in Dagoretti North Constituency have not met expectations, as residents voice their discontent regarding poor project selection, inferior construction quality, stalled projects, and neglected completed initiatives. Therefore, this study investigated the influence of influence of procurement planning on project performance of national government constituency development fund projects. The study employed a descriptive design. The study targeted 20 NG-CDF projects completed between 2020 and 2024. The study population was 45 participants. All the respondents were sampled. Data collection was executed through questionnaires that were pretested with 6 participants in Kiambu County, Kenya, who were excluded from the final analysis. To ensure clarity and understandability, the questionnaires underwent content validity assessment and validation through the split-half method. Both descriptive and inferential statistics were used in the quantitative data analysis results, which are shown in tables and figures. The results showed that procurement planning had a positive significant influence on the performance of NG-CDF projects in Dagoretti North Constituency. The study concludes that efficient procurement planning guarantees that financial resources allocated for NG-CDF projects are utilized efficiently. The study recommends that the constituency should analyze past procurement data to identify trends, successful strategies, and areas for improvement.**

Keywords: **Procurement Planning, Procurement Management Practices, Project Performance.**

1. INTRODUCTION

Organizations responsible for project implementation concentrate on the acquisition process to improve product quality, costs, timelines, and agility (Sanderson & Cox, 2018). The pre-purchase phase, awarding of contracts, tendering, and management of contracts and suppliers constitute several stages of the procurement process. Each of these elements must be accurately and meticulously crafted to yield optimal outcomes, as observed by Baldi, Bottasso, Conti, and Piccardo (2019). Thus, the organization must ascertain what is most critical in selecting a particular vendor; in other words, it must establish the evaluation criteria.

Performance is a determinant of project's success which is influenced by the project's complexity, contractual arrangements, interactions among the involved parties, the proficiency of the project manager, and the competencies of the other contributors (Navon, 2020). Grau, Back, and Prince (2022) indicate that metrics for project performance are typically employed to assess and quantify the project's efficacy. These metrics relate to the standard techniques used to gather and present relevant information regarding project effectiveness, efficiency, and inputs. As a result, project performance can be assessed by analyzing total costs, timelines, the quality of the project outcomes, and their alignment with user requirements.

Lauras, Marques, and Gourc (2020) assert that every organization values the concept of project management, as it provides a systematic approach for overseeing projects, delivers the most effective methods for achieving reliable project outcomes during new implementations. Walker and Nogeste (2022) noted that achieving project success necessitates the development of an appropriate strategy that takes into account the required timeframes and recognizes the key factors involved. This improves decision-making and assists the managers in concentrating on critical aspects of performance of the project.

Hairston (2005) articulates that in government projects within Pakistan, the integration of procurement and project management processes lays the corporate and technical foundation essential for the successful execution of construction initiatives, capital acquisitions, and the implementation of strategic procurement workflows. Hughes (2019) notes that the procurement of construction projects by firms in Pakistan is recognized as a complex system, drawing insights from the procurement processes of other intricate systems. This complexity is derived from an extensive procedure and multiple systems. Therefore, to significantly contribute to a construction project, the procurement specialist must first grasp the project's idea, the principles of managing projects and how procurement process aligns with the phases of project management.

Mellado and Lou (2020) propose that project performance is a fundamental goal for projects funded by the Malaysian public sector, where success is assessed through a variety of competing criteria, the most common being time, cost, and quality. However, the Malaysian public sector has persistently demonstrated low performance levels. Othman and Ismail (2021) highlight that the lack of consensus on evaluating project performance results in diverse opinions regarding which criteria should be incorporated for measuring performance and success. Therefore, the Malaysian government must ensure that projects are completed within designated timelines, adhere to budget limitations, and meet quality and overall expectations.

According to Odeyinka and Yusuf (2020), a primary challenge confronting the Nigerian public sector is project cost overruns, which lead to the execution of projects at expenditures exceeding the initial budget. The Nigerian public sector comprises varied kinds of stakeholders who are mandated in designing and managing projects. Conventional design-bid-build procurement approach remains prevalent in the Nigerian public sector, and this trend is projected to persist. Consequently, it is crucial to implement realistic project estimates from the outset of project activities to minimize uncertainty and create a foundation for project success.

In Ghana, publicly financed projects have encountered performance challenges associated with erratic fund disbursement for construction by the client, delayed payments to contractors, and inadequate contract specifications and performance assessments (Baiden-Amissah, 2019). Best and Valence (2021) assert that government-funded projects in Ghana face obstacles due to frequent delays in the approval of funding requests, incomplete assessments of infrastructure expenses that lead to underfunding, and the imposition of stringent deadlines for bid submissions. Thus, identifying the factors that influence project performance would aid project managers in implementing measures to improve project outcomes.

Mwakajo and Kidombo (2017) indicate that the implementation of some projects in Kenya have encountered difficulties especially at the execution stage, particularly when striving to achieve the desired project goals. Indicators of poor project performance include failure to adhere to timelines, budgets, and quality standards, which arise from an ineffective execution process. Historically, projects in Kenya were managed or owned by the government or by a contractor acting on behalf of the government. Choge and Muturi (2019) suggest that projects are integral to national development and require significant financial investments, with the participation of County Governments in these endeavors being broadly accepted. This underscores the necessity for project evaluation to occur throughout the entire lifecycle, aiming to maintain precise conditions.

The effectiveness of Kenyan government initiatives is hindered by inadequate staff training in financial management, as personnel often handle cash transactions, limited budget allocations from pertinent authorities, and the bureaucratic procedures employed. These initiatives may be stalled when national and county governments fail to provide timely funding for their completion, leading to their neglect (Gathoni& Ngugi, 2016). Ngacho and Das (2020) assert that securing funding for infrastructure projects is critical for the successful implementation of such initiatives. The manner in which county governments in Kenya allocate funds significantly impacts the success of projects. Therefore, the extent of financial resources dedicated to a development project has a profound influence on both the duration of its completion and, consequently, its overall performance.

According to Hassanzadeh and Jafarian (2016), managing procurement practices is fundamentally calculated, focused on augmenting project outcomes, identifying premium supply sources, and decreasing costs and prices of raw materials. As observed by Nzau and Njeru (2019), procurement management practices improve the circulation of information and materials, operating strategically to elevate project performance, identify exceptional supply sources, and reduce costs and expenditures on raw materials throughout the project implementation process.

A strong procurement system is founded on specific standards, centered around four fundamental stakes: legislation and regulation structures, organizational leadership skills, procurement activities, integrity and market standing (Agaba& Shipman, 2018). Walker and Rowlinson (2020) propose that selecting project's procurement processes is determined by its attributes, stakeholders' partnership and amalgamation in supply chains. The current approach of selecting procurement activities frequently unfolds in a somewhat disordered fashion, potentially resulting in the adoption of a procurement system that may not be a deliberate choice. Therefore, appropriate procurement strategies are crucial to achieving maximum results as it pertains to projects' constraints.

Hao and Qi (2019) indicate that procurement planning entails a process wherein procurement professionals proactively delineate a schematic plan detailing what, which, when, and how acquisitions will transpire within a specified timeframe. Procurement planning establishes a framework for addressing requirements, and user departments commonly anticipate their requests to be fulfilled as expediently as possible. Kakwezi and Nyeko (2019) contend that under financial constraints, user departments frequently favor a procurement method that meets their immediate needs rather than adhering to the legally sanctioned procurement process. Procurement needs are often identified late in the cycle, leading to delays in project implementation.

The Constituencies Development Fund Act of 2003 created the fund basically meant for poverty alleviation within communities through allocating 2.5% of the government. The National Government Constituencies Development Fund Board (NGCDFB) is responsible for overseeing the fund. Following Kenya's endorsement of the 2010 Constitution, the 2007 amendment to the CDF Act 2003 was annulled and supplanted with the CDF Act 2013, which complies with the 2010 Constitution. The principal objective of implementing the 2013 CDF Act was making assurance that the regulations governing the CDF align with the 2010 Kenyan Constitution, particularly in upholding the principles of accountability and transparency, separation of powers, and public participation.

According to Section 24 of the NG-CDF (Amendment) Act, 2016, the NG-CDF is permitted to support initiatives associated with services and projects that fall within the constitutionally mandated jurisdiction of the National Government. To meet the anticipated benefits are accessible to a broad spectrum of residents within a specific locality, these projects must be community-driven. The education sector encompasses school renovations, additional classrooms, and scholarships. The security sector includes police stations, District Coordination Committee (DCC) and Assistant County Commissioner (ACC) offices, chiefs' and assistant chiefs' offices, as well as other related establishments.

2. STATEMENT OF THE PROBLEM

The Dagoretti North National Government Constituency Development Fund (NG-CDF) intended to allocate Kshs. 134,155,887; however, the actual expenditure amounted to Kshs. 63,301,889, which equates to 47% of the allocated budget. This resulted in an unutilized sum of Kshs. 70,853,997, representing 53% of the total budget without a satisfactory rationale. The development budget was Kshs. 117,726,769, with actual expenditures recorded at Kshs. 57,101,305 or 48%, leading to an under-expenditure of Kshs. 60,625,464, which constitutes 52% of the overall budget and similarly lacks adequate justification. The underspending in budgeted areas indicates that certain anticipated activities and programs were not executed, resulting in inefficient and ineffective service delivery to constituents.

3. LITERATURE REVIEW

Theoretical Literature Review

Dynamic Capability Theory

Teece, Pisano, and Shuen (1997) developed dynamic capability theory to clarify an organization's capacity for development. The organization's robustness is fundamentally rooted in its ability to amalgamate and perpetually reorganize its internal and external proficiencies to navigate unpredictable business landscapes. Dynamic capability is assessed through four distinct metrics. The aptitude to recognize opportunities indicates the ability to discern prospects and align operational

endeavors accordingly. The capacity to seize refers to the capability of acquiring resources that foster creativity and innovation. Additionally, the competence to oversee essential projects as progress is critical. Finally, and equally vital, the organization must have the ability to reconfigure its present resources.

In variable circumstances, organizations must proactively foresee and react to uncertainty. Project managers are empowered by dynamic capabilities to identify the specific activities, expenditures, and timelines relevant to the project execution process (Liao, Kickul & Ma, 2019). Pitelis and Wagner (2019) contend that a deeper analysis enhances the investigation of diverse organizational competencies within the firm, thereby assisting project managers in understanding how to cultivate vital elements for successful project implementation. This theoretical framework further enables project managers to adjust to environmental and stakeholder changes, ultimately establishing structures, processes, and designs that assist the project team in recognizing necessary modifications when opportunities or threats emerge.

Empirical Literature Review

The research conducted by Muhwezi, Musiime, and Onyutha (2020) evaluated the how procurement planning procedures impact the performance of construction projects within local governments in Uganda. A purposive sampling technique was employed in conjunction with a descriptive research methodology to select 81 participants. Data were collected through a questionnaire, and SPSS software was utilized for analytical purposes. The results demonstrated that insufficient procurement planning led to considerable budget deficits, averaging 1.86, which negatively influenced construction project outcomes. Additionally, the investigation revealed that financial allocations for construction activities are frequently delayed, substantially affecting project efficiency. However, as the research was specifically focused on Uganda, there may be contextual differences that limit the applicability these results within Kenya. The current research focused on effectiveness of NG-CDF programs.

Erick's (2019) study examined how procurement strategies affect project success by surveying clients within the Swedish construction industry. An empirical procurement model was developed based on a literature review and subsequently validated using data from 106 Swedish construction clients, with eight hypotheses tested through multivariate statistical methods. The outcomes from hierarchical regression analyses indicated that collaborative procurement approaches foster enhanced cooperation among project stakeholders, thereby positively influencing project results. Nonetheless, a methodological inconsistency is present as this study employed primary data, while the prior research utilized secondary data, highlighting a gap in methodology.

Issa (2018) investigated how procurement planning of humanitarian organizations in Somalia influenced their project performance. This research laid focus on target population of 110 employees and utilized a descriptive research methodology. A stratified random sample of thirty-three individuals was selected for the study. It was observed that the effectiveness of projects executed by humanitarian organizations is significantly affected by the procurement planning capabilities of their staff. Furthermore, the results underscored that budgeting processes related to procurement planning have a substantial and enduring impact on the effectiveness of initiatives within aid organizations. The study was centered on the International Organization for Migration (IOM)–Somalia identifying a contextual gap. The effectiveness of NG-CDF initiatives was a central focus of this investigation.

Sichilongo (2021) assessed the procurement planning within Zambia's road construction projects and how they had influenced the quality and effectiveness of such projects. Findings indicated that different contract types affect the involved parties variably, with procurement acts a major principle in the determination of project outcomes. Additionally, the quality of the project was influenced by how the contracting parties comply with and implement these agreements. Consequently, to optimize project results, contract provisions meant for certain project demands has to be sufficiently implemented.

4. RESEARCH METHODOLOGY

The study employed a descriptive design. Descriptive research design is the process of collecting data in order to answer questions concerning the current status of the subjects in the study. It determines and reports the way things are. It attempts to describe such things as possible behavior, attitudes, values and characteristics. Perris, Patrick, John and Caleb (2016) used cross- descriptive survey design in their research that tested the influence of supplier relationship management practices and the performance of the large manufacturing firms in Kenya. The study targeted 20 NG-CDF projects completed between 2020 and 2024. The study population was 45 participants. All the respondents were sampled. Data collection was executed through questionnaires that were pretested with 6 participants in Kiambu County, Kenya, who were

excluded from the final analysis. To ensure clarity and understandability, the questionnaires underwent content validity assessment and validation through the split-half method. Both descriptive and inferential statistics were used in the quantitative data analysis results, which are shown in tables and figures.

5. FINDINGS

The descriptive statistics results on procurement planning are presented in Table 1.

Table 1: Procurement Planning

Statements	M	SD
Market analysis enables the organization's strategic, data-driven plans through getting the numbers and insights needed to make accurate forecasts	4.52	0.477
Market analysis enables the organization to discover insights about its ideal customers quickly and in finite detail	4.47	0.526
Need analysis enable the organization to discover its team's weaknesses and areas for strengthening or reskilling	4.58	0.418
Need analysis helps the organization to prepare training ahead of time	3.99	1.010
Spend analysis helps an organization to find which suppliers offer the most value and focus on nurturing those relationships.	4.53	0.467
Spend analysis helps an organization to create scorecards for various vendors to monitor contract compliance	3.61	1.388
Aggregate score	**4.28**	**0.714**

The study findings reveal a strong agreement among participants on the following statements. Firstly, need analysis was identified as essential for recognizing team weaknesses and areas for improvement (M=4.58, SD=0.418), indicating its reliability in fostering team development. Secondly, participants emphasized the importance of spend analysis in decision-making, believing it helps identify valuable suppliers and optimize procurement strategies (M=4.53, SD= 0.467). Lastly, market analysis was highlighted as crucial for developing strategic, data-driven plans, enabling precise forecasts and informed decisions aligned with market trends (M=4.52, SD=0.477). These results support the notion that effective analysis, including need, spend, or market analysis, is essential for organizational success and align with earlier studies by Muhwezi, Musiime and Onyutha (2020).

Market analysis was highly valued (M=4.47, SD=0.526), indicating its crucial role in uncovering insights about target customers, which enhances product tailoring and customer satisfaction. Need analysis also emerged as important (M=3.99, SD=1.010), as it helps identify skills gaps for targeted training programs that boost employee performance. Additionally, spend analysis (M=3.61, SD=1.388), is recognized for its role in developing vendor scorecards and ensuring contract compliance, which improves supplier relationships and financial management. Erick (2019) research agrees with the results who emphasized the value of market, need, and spending evaluations in enhancing operational effectiveness and strategic decision-making.

Participants in this study also emphasized the essential function of procurement planning in effectively carrying out projects supported by the NG-CDF. A mean score of 4.28 indicates strong agreement on its positive effects, with a low standard deviation of 0.714 suggesting agreement among stakeholders in Dagorreti North Constituency. These findings corroborate Issa's (2018) research, emphasizing the significance of procurement planning as a strategic method for policymakers and project managers to improve NG-CDF project outcomes. Therefore, stakeholders may ensure optimal resource utilization and better community outcomes by encouraging smart planning.

Regression Analysis Results

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.899	0.808	0.795	0.0054

The results indicate that the adjusted R value is 0.795, an indication that the project performance varied at 79.5% due to the influence of the procurement planning. Therefore, it can be said that other variables that were not considered in the study accounts for 20.5%

Table 4: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.638	0.226		2.823	0.003
	Procurement planning	0.758	0.334	0.0152	3.310	0.004

The results indicate that the level at which the performance would be when all other factors are kept constant is 0.638. The following regression equation was formed out the results in Table 4.

Project performance = 0.638 + 0.758(procurement planning).

The procurement planning of the Dagorreti North constituency was effective since it contributed significant influence on its CDF projects (β=0.0152, p=0.004). This result aligns with Sichilongo's (2021) examination of procurement strategy's effect regarding the standard and effectiveness of road construction initiatives in Zambia. The research suggests that procurement significantly influences project outcomes, as various contractual forms yield different impacts on contract parties.

6. CONCLUSIONS

The research concludes that successful procurement planning ensures that financial resources allocated to NG-CDF projects are utilized optimally. Procurement planning helps in establishing timelines for acquiring necessary goods and services. Procurement planning allows project managers to identify potential risks associated with procurement processes, including supplier dependability, market changes, and compliance with regulations. Effective procurement planning often involves engaging local communities in the decision-making process. Establishing strong relationships with suppliers through effective procurement planning may result in enhanced negotiation results and superior service provision, and enhanced collaboration throughout the project lifecycle.

7. RECOMMENDATIONS

The study recommends that the constituency should analyze past procurement data to identify trends, successful strategies, and areas for improvement. This can inform future procurement decisions and help avoid repeating past mistakes. Conduct thorough market research to understand the availability of goods and services, pricing trends, and potential suppliers. This information can guide procurement strategies and budget allocations. This plan should be aligned with the overall project objectives and timelines. Provide training for procurement officers and project managers on best practices, legal requirements, and ethical procurement processes. This enhances their skills and ensures compliance with regulations.

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