

Influence of Financial Capacity on Accessibility of the Preferential Public Procurement Opportunities among Youth Groups in Nakuru town sub-county

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Abstract: The purpose of the study was to establish the influence of financial capacity on accessibility of the preferential public procurement opportunities among youth groups in Nakuru town sub-county. The study used institutional theory and socio-Economic theory. The study adopted descriptive survey research design. The researcher targeted 74 officials from 20 active youth groups in Nakuru Town sub-county. The study used census sampling technique. Therefore the study incorporated all the 74-targeted officials from the 20 active youth groups. Closed ended questionnaire were used as the data collection instrument for the study and developed through the guidance of the study's objectives and research questions. The validity of the instruments used in this study was established by conducting a pilot study. Once the raw data was collected, the questionnaires were checked for proper recording of the responses and completeness. The collected data was coded and analysed by use of Statistical Package for Social Sciences SPSS version 24. Quantitative data was analysed using both descriptive and inferential statistical techniques. Descriptive statistics included means, standard deviation, frequencies and percentages while inferential statistics was by means of correlation and regression analysis.

Keywords: Financial capacity, Preferential Public Procurement opportunities and youth groups.

I. INTRODUCTION

Procurement encompasses the whole process of acquiring property and/or services. It begins when an agency has identified a need and decided on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property and/or services and, where relevant, the ongoing management of a contract and consideration of options related to the contract. Procurement also extends to the ultimate disposal of property at the end of its useful life (Waters, 2014). Otieno (2006) notes that irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated. According to Thai (2001), the basic principles of good procurement practice include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources carefully, knowing clearly that they are accountable to members of the public; competitive supply, which requires the procurement be carried out by competition unless there are convincing reasons for single sourcing; and consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation. The process should also uphold integrity by ensuring that there are no malpractices; informed decision-making, which requires public bodies to base decisions on accurate information and ensure that regulation are being met. More still, the Procurement practice should be responsive to aspirations, expectations and needs of the target society. Finally, there is need for transparency to enhance openness and clarity on procurement policy and its delivery (World Bank, 2013). Participation of Special Interest Groups in Public procurement is an important function of any government for several reasons (Blome, &Schoenherr, 2014). First, the sheer magnitude of Special interest Groups in procurement outlays has a

great impact on the economy and needs to be well managed. Indeed, in all countries in the world, estimates of the financial activities of government procurement by the youth are believed to be in the order of 10% – 30 % of GNP (Callender& Mathews, 2010). Article 55 of the Constitution of Kenya provides that the State shall take measures, including affirmative action programmes, to ensure that the youth access relevant education and training; have opportunities to associate, be represented and participate in political, social, economic and other spheres of life. The government of Kenya in furtherance to the constitutional provisions launched the “Youth Access to Government Procurement Opportunities” (YAGPO) which was aimed at creating awareness amongst the youth and the general public on the opportunities available in public procurement (R. O. K, 2013). The youth in Kenya are facing numerous challenges which include but not limited to unemployment; Limited access to information, finance, competency and business development services; Limited access to affordable credit facilities; Ineffective commercial links between suppliers and buyers; and exclusion in decision-making processes (Minister of Finance Kenya, 2012).

The policy on preference and reservation in public procurements, with youths included, will help solve most of the economic and societal challenges facing the country. The youth involvement in public procurement borne from the preference policy is expected to be the highest amongst the special groups provided for in the policy given that they form a higher segment of the Kenya population. It is thus of great interest to see the impact of this policy to youth. The Youth have the potential to accelerate productivity growth, but left idle, can represent a risk to social stability and in the longer term a risk to development of the nation’s economy (Republic of Kenya 2013).

1. Statement of the Problem

The preference regulations allow government entities conducting procurement processes to allocate procurement opportunities to special groups i.e. youth, women and persons with disability. The public entities are supposed to institutionalize procurement plans that should have a total reservation of 30% of the procurement budget to the special groups. The regulations also give guidance to government entities on how to advertise and evaluate the bids submitted by the special groups. Achura, Arasa and Ochiri (2009) examined the effectiveness of public procurement audits for constituency development funds in Kenya. However, they did not address the influence of financial capacity on accessibility of the preferential procurement regulations in Kenya. Ngugi and Mugo (2011) examined impact of procurement activities on the operation and effectiveness of public sectors in Kenya and concluded that it is essential that qualified staff with high professional and ethical standards and using sound procedures anchored in appropriate policies and regulations perform these activities. They however did not examine the influence of financial capacity on accessibility of the preferential procurement regulations. There lacks conclusive studies in Kenya on the influence of financial capacity on accessibility of the preferential public procurement opportunities among youths groups. This forms the research gap, and this study sought to examine the influence of financial capacity on accessibility of the preferential public procurement opportunities among youth’s groups in Nakuru town sub-county.

2. Objective of the Study

To establish the influence of financial capacity on accessibility of the preferential public procurement opportunities among youth groups in Nakuru town sub-county.

3. Research Hypotheses

In conducting the study the following hypothesis was tested

H₀: Financial capacity does not have a significant influence on accessibility of the preferential public procurement opportunities among youth groups in Nakuru Town sub-county.

II. LITERATURE REVIEW

1. Theoretical Review

Institutional Theory: Researcher such as DiMaggio and Powell (1983) are some of the institutional theorists who assert that the institutional environment can strongly influence the development of formal structures in an organization, often more profoundly than market pressures. Innovative structures that improve technical efficiency in early-adopting organizations are legitimized in the environment. Ultimately these innovations reach a level of legitimization where failure to adopt them is seen as "irrational and negligent" (or they become legal mandates). At this point new and existing organizations will adopt the structural form even if the form doesn't improve efficiency. The basic concepts and premises of the institutional theory approach provide useful guidelines for analyzing organization-environment relationships with

an emphasis on the social rules, expectations, norms, and values as the sources of pressure on organizations. This theory is built on the concept of legitimacy rather than efficiency or effectiveness as the primary organizational goal (Doug & Scott, 2004). The environment is conceptualized as the organizational field, represented by institutions that may include regulatory structures, governmental agencies, courts, professionals, professional norms, interest groups, public opinion, laws, rules, and social values. Institutional theory assumes that an organization conforms to its environment. There are, however, some fundamental aspects of organizational environments and activities not fully addressed by institutional theory that make the approach problematic for fully understanding credit reference bureaus and their environment: the organization being dependent on external resources and the organization's ability to adapt to or even change its environment (Doug & Scott, 2004). In this case youths are considered as institutions which have different environment. The environment varies in terms of social and economic settings. The environment factors dictate the willingness and capacity of youth group in accessing preferential procurement opportunities.

Social –Economic Theory: According to Lisa (2010) Social–Economic perspectives provide a basis for the success or failure of organizational compliance. Wilmshurst and Frost (2000) also add that the legitimacy theory postulates that the organization is responsible to disclose its practices to the stakeholders, especially to the public and justify its existence within the boundaries of society. Social and economic indicators can be applied in both the temporal and spatial contexts. They can be used to graph the growth and development of a nation during a particular span of time, or to map the economic and social attributes of the various territorial units that make up a nation. Territorial indicators which measure social, economic and related phenomena have two major roles. At the research level they may be used for theoretical and empirical studies of the processes and problems of economic development; it is important, for example, that we know more about the spatial impact of economic growth and the processes by which the advantages and disadvantages of growth in some areas are transmitted to other areas of relative stagnation (Weinand, 1973). This theory, which focuses on the relationship and interaction between an organization and the society, provides a sufficient and superior lens for understanding government procurement system (Hui Yin Yeong, 2011). From this theory, the perceived legitimacy of public procurement rules has been identified as one of the antecedents of public procurement compliance behavior.

2. Empirical Review

The preference regulations give guidance to government entities on how to advertise and evaluate the bids submitted by the special groups. Public entities will also be required to submit quarterly reports to the Public Procurement Oversight Authority (PPOA) for compliance audits. To participate in the new preferred and reserved public procurement scheme, the youth, women, and persons with disability are required to register their enterprises with the relevant government body. The public entities will also be required to authenticate tender awards and purchase orders and enter into agreements with relevant financing institutions with an undertaking that the contracted enterprise will be paid through the account opened with the financier (PPAD 2011). Byokusheka (2008) noted that, the procurement objective is to provide quality goods and services through open and fair competition in the exact quantity and proper quality as specified; and has to be delivered at the time and place where needed. Therefore, to secure such goods and services at competitive prices requires accurate planning and involvement of a number of stakeholders. Linarelli & Wallace (2000), in their study of procurement argued that any procurement begins with the planning decision to make the purchase. This will involve deciding whether there is a need for the particular goods or services and will equally involve ensuring that the purchaser has the legal powers to undertake the transaction, obtaining any relevant approvals within the government hierarchy and arranging the necessary funding.

However Ntayi (2009) observes that millions of dollars get wasted due to inefficient and ineffective procurement structures, policies and procedures as well as failure to impose sanctions for violation of procurement rules thus resulting in poor service delivery. Public procurement is the acquisition of goods, services and works by a procuring entity using public funds (World Bank, 1995). The level of compliance to procurement regulations can therefore determine whether a government meets its goals and objectives (Sarah, 2011). The development of small and medium enterprises (SMEs) run by specialized groups is very important for the national economy and public procurement can be an important source of business for SMEs Orwa, (2007). However, access to public sector contracts by smaller entities is often seen as a problem, at national and global level, for many in the sector. While sustaining development impacts is key, it is the majority at grassroots that accelerate and sustain poverty reduction efforts (Gichure, 2007), hence the need to target the rural poor to achieve overall economic growth by funding them to be able to access public procurement. Mamic (2005) argues that the high proportion of women in the poverty group in the third world makes efforts at development fruitless. This is because the investment threshold for the third world has pushed far above the current levels of funding to a point

where local level development is the only feasible alternative solution Gomez (2009) . The Kenyan government has had an uphill task for youth and women groups to play in the big-ticket leagues of public procurement as they may not have the financial capacity (Owino, 2013). Fortunately, there are a host of financial instruments being offered by various institutions, including local purchase order (LPO) financing and invoice discounting. There is also the Uwezo Fund and the youth and women enterprise fund. The trouble with supplying the government is that, because the quantities required are often very large, the capital requirement can be high. Yet processing an invoice can take months. “The best thing about getting a government contract is that you will get paid. The downside is it could take a while (Polo, 2008).

III. METHODOLOGY

1. Research Design ,Target Population And Sampling

This study adopted a descriptive survey research design to establish the influence of financial capacity on accessibility of the preferential public procurement opportunities among youth groups in Nakuru town sub-county. Descriptive research involves the description of the status of affairs as it exists. The researcher targeted 74 officials from 20 active youth groups in Nakuru Town sub-county. The researcher ensured that all the groups involved were not only registered but also active. The study used census-sampling technique. According to Mugenda (2001) census is sampling technique whereby every number or item of the population is surveyed. Therefore the study incorporated all the 74 targeted officials from the 20 youth groups.

2. Research Instruments and data collection and analysis

Closed ended questionnaire were used as the data collection instrument for the study and developed through the guidance of the study’s objectives and research questions. Sekaran and Bougie (2010) stressed that this method has three major advantages; all completed questionnaires can be collected within a short period, a researcher can answer any questions from respondents on the spot and can also enhance respondent participation and it is less expensive and time consuming than conducting interviews. The closed ended questions were accompanied by a list of possible alternatives from which the respondents were expected to choose answers that best describes their situation. The questionnaires were administered on a drop and pick up later basis where the respondents were given two days to answer the questions at their own pace; this was done in order to ensure uniformity of answers and also to increase the response rate. The researcher obtained the necessary permits and consents from relevant authorities. This means, the formal approval of Jomo Kenyatta University of Science and Technology was obtained. This was followed by the consent of management of the targeted Youth Groups in Nakuru town. The questionnaire was self-administered in order to enhance response rate. To ensure internal, external and construct validity of the research instruments, this study relied on expert advice and judgment from the researcher’s academic supervisors from the university. The questionnaires were then pretested for reliability using the internal consistency method. The Cronbach’s reliability coefficient that determines the internal consistency of the questionnaire items was computed. The pre-test yielded a Cronbach Alpha value of 0.763. The results confirmed data reliability for the independent variables and therefore they were retained .the questionnaire accepted for the study purposes. The researcher obtained an introduction letter from the school of postgraduate studies of JKUAT that was then presented to management of various youth Group for the data collection exercise. Data analysis was done with the aid of the computer software Statistical Package for Social Scientists (SPSS) version 24. Descriptive statistical measures such as, frequencies, percentages were used to give glimpse of the general trend of the data. Inferential statistics involving the use of correlation analysis were then used to determine the nature of the relationship between variables at a generally accepted conventional significant level of $P \leq 0.05$ (Gall, Borg & Gall, 2003). In addition, multiple regression analysis was employed to determine other characteristics of the variables such as the overall contribution of the independent variable to the dependent variable and also rank the variables according to the order of their importance. Multiple regression analysis was applied to analyze the relationship between dependent variable and independent variable (Sekeran, 2003). The beta (β) coefficients for each independent variable generated from the model were used to test each of the hypotheses under study. The regression model used in the study is shown below:

$$Y = \beta_0 + \beta_1 X_1 + \epsilon \dots\dots\dots (i)$$

Where;

Y= Accessibility of the preferential public procurement opportunities, β_0 represents constant, β_1 represents coefficient of financial capacity , X_1 represents financial capacity of youth groups and ϵ is the estimated error of the model that has a mean of zero at constant variance. The results were then tabulated interpreted and discussed.

IV. RESULTS AND DISCUSSIONS

1. Response Rate and reliability test

Out of the 74 questionnaires that were dropped to respondents, 71 questionnaires were picked from the respondents since 3 questionnaires had not been filled despite the respondents having been given two days for filling the questionnaires at their pace. The collected questionnaires were subjected to a process of editing to ensure that all there was consistency in responses and that there were no missing responses. This led to rejection of 7 questionnaires and meant that the completely filled questionnaires were 64. This gave a response rate of 86.5% which was considered sufficient for data analysis following the recommended minimum of 80.0% by Mugenda and Mugenda (2003). The value of Cronbach's Alpha was 0.763 which is above the threshold of 0.7 hence the questionnaire used in the study was reliable enough in measuring the content it measured with high degree of reliability hence the questionnaire could give similar result if used repeatedly in different studies.

2. Demographic analysis

The background information that was retained for analysis relating to the respondents included: Slightly above half of the respondents were male (54.7%) while the female respondents were 45.3% of the respondents. The higher number of male respondents could be attributed to more male members of groups being elected to leadership positions since the study utilized officials of active youth groups. Most of the respondents (54.7%) were aged 31-40 Years and 39.1% of the respondents were 20-30 Years of age. Respondents who were 41-50 Years of age were 3.1% of the respondents that was the same for respondents aged 51 Years and above (3.1%). The study was based on youth groups thus the higher number of respondents who were 20 to 40 years of age. Most of the respondents had their highest education level at college (43.8%). Respondents with university level of education as their highest level were 37.5%. The higher literacy levels of respondents with college and university levels make them feel more aware of the accessibility of the preferential public procurement opportunities and more confident to access these opportunities. About three fifths of the respondents indicated that their group had been in existence for 2-5 Years. Respondents who indicated that their groups had existed for below a year were 17.2%, 6-10 Years were 10.9% and above 10 Years were 7.8% of the respondents. Most of the youth groups have been in existence for 2-5 years which could be due to the nature of projects that the youth groups are engaged in which are short term in most instances.

3. Financial Capacity and Accessibility of Preferential Public Procurement Opportunities

The study sought to determine the influence of financial capacity on accessibility of the preferential public procurement opportunities among youth groups in Nakuru Town sub-county using various metrics. These included adequacy of financial capacity for groups to bid for advertised tenders, sufficiency of financial skills to give practical price quotation for tenders, affordability of terms of credit offered by financial institutions to access government procurement opportunities, ability of the group to get access to funds from financial institutions in order to bid for advertised tenders, and awareness of the use of Local Purchasing Orders (LPOs) and Uwezo funds for funding public procurement bids. The results of this examination are presented in Table 1.

Table 1: Descriptive Statistics for Financial Capacity

	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Std. Dev.
My group always has adequate financial capacity to bid for advertised tenders	1.6	4.7	10.9	45.3	37.5	2.53	1.26
My group has sufficient financial skills to give practical price quotation for tenders	0.0	9.4	14.1	23.4	53.1	2.58	1.37
Terms of credit offered by financial institutions to access government procurement opportunities is affordable to our youth group	0.0	15.6	15.6	45.3	23.4	2.23	0.99
My group is able to get access to funds from financial institutions in order to bid for advertised tenders	0.0	1.6	28.1	43.8	26.6	2.05	0.79
My group is aware of the use of Local Purchasing Orders (LPOs) & Uwezo funds for funding public procurement bids	1.6	4.7	7.8	37.5	48.4	1.73	0.91

Slightly above half of the respondents (53.1%) tended to strongly disagree that their group has sufficient financial skills to give practical price quotation for tenders while 23.4% disagreed on the same. Most of the respondents tended to disagree that terms of credit offered by financial institutions to access government procurement opportunities are affordable to their youth group (45.3%) and that their group is able to get access to funds from financial institutions in order to bid for advertised tenders (43.8%). Similar sentiments were made by 37.5% of respondents in respect to their group being aware of the use of Local Purchasing Orders (LPOs) and Uwezo funds for funding public procurement bids. However, most of the respondents (48.4%) tended to strongly disagree that their group is aware of the use of Local Purchasing Orders (LPOs) and Uwezo funds for funding public procurement bids. On the other hand, 1.6% of the respondents tended to strongly agree, 4.7% tended to agree and 7.8% tended to be undecided that in respect to their group being aware of the use of Local Purchasing Orders (LPOs) and Uwezo funds for funding public procurement bids. On average respondents tended to be undecided ($2.5 < \mu < 3.5$) whether their groups always have adequate financial capacity to bid for advertised tender (mean of 2.53) and sufficient financial skills to give practical price quotation for tenders (mean of 2.58). This was consistent with Owino (2003) who noted that the Kenyan government has had an uphill task for youth and women groups to play in the big-ticket leagues of public procurement as they may not have the financial capacity (Owino, 2013). Linarelli & Wallace (2000), in their study of procurement argued that any procurement begins with the planning decision to make the purchase. On average respondents tended to disagree ($1.5 < \mu < 2.5$) that the terms of credit offered by financial institutions to access government procurement opportunities are affordable to their youth group (mean of 2.23). Similarly, respondents on average tended to disagree that they were able to get access to funds from financial institutions in order to bid for advertised tenders (mean of 2.05). On average respondents tended to strongly disagree ($1 \leq \mu < 1.5$) that their group was aware of the use of Local Purchasing Orders (LPOs) and Uwezo funds for funding public procurement bids (mean of 1.73). This contradicted sentiments by Polo (2008) who noted that there are a host of financial instruments being offered by various institutions, including local purchase order (LPO) financing and invoice discounting. There is also the Uwezo Fund and the youth and women enterprise fund.

4. Accessibility of the Preferential Public Procurement Opportunities

The study sought to examine the various aspects of accessibility of the preferential public procurement opportunities that have been influenced by financial capacity, tendering regulation, and employee competency of youth groups in Nakuru Town sub-county. These aspects included sensitization on preferential procurement opportunities, technical requirements of the preference public procurement opportunities, timelines allocated for the preferential public procurement opportunities, ease of accessibility of advertisement mode for the opportunities for the public procurement opportunities, and documentation required for bidding in public procurement. Table 2 shows results of this examination.

Table 2: Descriptive Statistics for Accessibility of the Preference Public Procurement Opportunities

	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Std. Dev.
There is adequate sensitization on preferential procurement opportunities	0.0	12.5	17.2	45.3	25.0	2.18	0.95
The technical requirements of the preference public procurement opportunities are achievable for the youth groups	0.0	1.6	29.7	42.2	26.6	2.06	0.79
The timelines allocated for the preferential public procurement opportunities are achievable for the youth groups	1.6	6.3	6.3	39.1	46.9	1.77	0.94
The advertisement mode for the opportunities for the public procurement opportunities are easily accessible for youth groups	0.0	6.3	12.5	32.8	48.4	1.77	0.90
The documentation required for bidding in public procurement is achievable for the youth groups	0.0	10.9	20.3	50.0	18.8	2.23	0.89

Most of the respondents (45.3%) tended to disagree that there is adequate sensitization on preferential procurement opportunities, further supported by a quarter of the respondents (25.0%) who tended to strongly disagree on the same. Similarly, most of the respondents (42.2%) tended to disagree when asked whether the technical requirements of the preference public procurement opportunities are achievable for the youth groups, further supported by 26.6% of the respondents who strongly disagreed on the same. On the other hand, there were no respondents who tended to strongly agree that there is adequate sensitization on preferential procurement opportunities (0.0%) and the technical requirements

of the preference public procurement opportunities are achievable for the youth groups (0.0%). However, 12.5% and 1.6% of the respondents tended to agree that there is adequate sensitization on preferential procurement opportunities and the technical requirements of the preference public procurement opportunities are achievable for the youth groups, respectively. There were respondents who tended to be undecided whether that there is adequate sensitization on preferential procurement opportunities (17.2%) and whether the technical requirements of the preference public procurement opportunities are achievable for the youth groups (29.7%). Almost half of the respondents tended to strongly disagree when asked whether the timelines allocated for the preferential public procurement opportunities are achievable for the youth groups (46.9%) and the advertisement mode for the opportunities for the public procurement opportunities are easily accessible for youth groups (48.4%). Additionally, 39.1% of respondents tended disagree when asked whether the timelines allocated for the preferential public procurement opportunities are achievable for the youth groups same as 32.8% of the respondents in respect to whether the advertisement mode for the opportunities for the public procurement opportunities are easily accessible for youth groups. A negligible 1.6% of respondents tended to strongly agree that the timelines allocated for the preferential public procurement opportunities are achievable for the youth groups but none of the respondents (0.0%) tended to strongly agree that the advertisement mode for the opportunities for the public procurement opportunities are easily accessible for youth groups. Half of the respondents (50.0%) tended to disagree that the documentation required for bidding in public procurement is achievable for the youth groups. Respondents who tended to strongly disagree that the documentation required for bidding in public procurement is achievable for the youth groups were 18.8%. Some respondents tended to be undecided (20.3%) and 10.9% of the respondents tended to agree when asked whether the documentation required for bidding in public procurement is achievable for the youth groups. However, none of the respondents (0.0%) tended to strongly agree that documentation required for bidding in public procurement is achievable for the youth groups.

On average, there was a tendency to disagree ($1.5 < \mu < 2.5$) that all aspects of accessibility of the preferential public procurement opportunities examined in the study have been influenced by financial capacity, tendering regulation, and employee competency of youth groups in Nakuru Town sub-county. There was also moderate consensus ($0.5 < \sigma_x < 1$) amongst respondents on the influence of financial capacity, tendering regulation, and employee competency of youth groups in Nakuru Town sub-county on all aspects of accessibility of the preferential public procurement opportunities examined in the study. There was moderate consensus and respondents on average tended disagree that there is adequate sensitization on preferential procurement opportunities (mean of 2.18; standard deviation of 0.95) and that the technical requirements of the preference public procurement opportunities are achievable for the youth groups (mean of 2.06; standard deviation of 0.79). There was also moderate consensus and on average respondents to disagree that the timelines allocated for the preferential public procurement opportunities are achievable for the youth groups (mean of 1.77; standard deviation of 0.94), the advertisement mode for the opportunities for the public procurement opportunities are easily accessible for youth groups (mean of 1.77; standard deviation of 0.90), and the documentation required for bidding in public procurement is achievable for the youth groups (mean of 2.23; standard deviation of 0.89).

5. Correlation Analysis

In this subsection the correlation analysis using the Pearson Product Moment Correlation was made to first determine the degree of multicollinearity between the independent variables and also show the degree of their association with the dependent variable separately and the resulting correlation matrix given in Table 3.

Table 3: Summary of Correlations

		Financial Capacity	Accessibility of the preferential public procurement opportunities
Financial Capacity	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	64	
Accessibility of the preferential public procurement opportunities	Pearson Correlation	.570**	1
	Sig. (2-tailed)	0.000	
	N	64	64

The first correlation was done to determine whether there was a statistically significant relationship between financial capacity and Accessibility of the preferential public procurement opportunities in Nakuru town sub-county. The results in Table 3 shows that there was indeed a significant relationship ($r = .570^{**}$; $p \leq 0.05$). Further, the Pearson's product moment coefficient of correlation $r = .570$ is moderate and suggests moderate positive relationship exists between the variables, hence, suggesting that financial capacity had statistically significant influence over Accessibility of the preferential public procurement opportunities in Nakuru town sub-county.

6. Regression Analysis

The study used simple OLS Regression analysis. The independent variable was financial capacity and the dependent variable was Accessibility of the preferential public procurement opportunities. Univariate regression analysis involved calculation of coefficient of determination (R^2), Analysis of Variances (ANOVA) and regression coefficients

Table 4: Model Summary of the Multiple Linear Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.765 ^a	.586	.565	.31709

a. Predictors: (Constant), Financial Capacity

The amount of variance in the dependent variable due to the independent variables was determined using the coefficient of determination (R^2). The value R^2 was 0.586 which implies that 58.6% of the variance in accessibility of the preferential public procurement opportunities can be attributed to the financial capacity of youth groups in Nakuru Town sub-county.

Table 5: ANOVA^a of the Linear Regression

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	8.527	3	2.842	28.270	.000 ^b
Residual	6.033	60	.101		
Total	14.560	63			

a. Dependent Variable: Access

b. Predictors: (Constant), Financial Capacity

The viability of the linear regression model with the dependent variable (accessibility of the preferential public procurement opportunities) and the independent variable (financial capacity) was determined using the Analysis of Variance (ANOVA). In this context the minimum p-value for viability of the model was a p-value less than 0.05 ($p < 0.05$). The linear regression in this study gave a p-value of 0.000 as shown in Table 5. This p-value was less than 0.05 ($0.000 < 0.05$) thus the model was deemed viable. The expected change in the dependent variable when the independent variables are varied was also determined using the linear regression analysis. In this context, the regression coefficients were used to determine the expected change (increase or decrease) in the dependent variable (accessibility of the preferential public procurement opportunities) and for every unit increase in the independent variables (financial capacity). The regression coefficient was 0.414 for financial capacity as shown in Table 6.

Table 6: Coefficients^a of the Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
1 (Constant)	.372	.415		.896	.374
Financial Capacity	.414	.152	.372	2.717	.009

a. Dependent Variable: Accessibility of the Preferential Public Procurement Opportunities

The resulting regression model was thus;

$$\text{Accessibility of the Preferential Public Procurement Opportunities} = 0.372 + 0.414 (\text{Financial Capacity})$$

This implies that for every unit increase in financial capacity and with other factors kept constant, the accessibility of the preferential public procurement opportunities will increase by 0.414. Therefore, financial capacity has a positive influence on the accessibility of the preferential public procurement opportunities among youth groups in Nakuru Town sub-county.

7. Hypothesis Tests

H01: Financial capacity does not have a significant influence on accessibility of the preferential public procurement opportunities among youth groups in Nakuru Town sub-county. The simple regression analysis in Table 6 indicates that a significant relationship exists ($\beta_1 = .414$; $p \leq 0.05$). As a result, the null hypothesis was thus rejected. This implies that the way things were at the moment, the financial capacity of youth groups influences Accessibility of the Preferential Public Procurement Opportunities in Nakuru town subcounty.

V. CONCLUSION

1. Conclusion

The study concluded that financial capacity has a positive influence on the accessibility of the preferential public procurement opportunities among youth groups in Nakuru Town sub-county. The study recommends a deeper look into the influence of the various metrics used to examine the influence of financial capacity on accessibility of the preferential public procurement opportunities among youth groups in Nakuru Town sub-county. This is because the highest mean scores had respondents on average undecided on the influence of the metrics on accessibility of the preferential public procurement opportunities among youth groups in Nakuru Town sub-county. The mean scores of the other metrics had respondents on average tending to disagree or strongly disagree on the influence of the metrics on accessibility of the preferential public procurement opportunities among youth groups in Nakuru Town sub-county. Further studies should be carried out in other constituencies in Kenya to determine the influence financial capacity on accessibility of the preferential public procurement opportunities among youth groups.

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