

Relationship of Compliance with Contract Conditions and Performance of Public Universities in Central Region, Kenya

Lucy Maina Nyambura¹, Susan Naikuru²

Jomo Kenyatta University of Agriculture and Technology

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Abstract: The main objective of this study was to determine the relationship of compliance with contract conditions and performance of public universities in central region, Kenya. The study was anchored on the agency theory, transaction cost theory, general systems theory and contract compliance theory. The study used descriptive research. The study targeted population was 371 staff, sampling frame had 339 staff comprising of 172 staffs from procurement departments and 167 from finance departments out of which a sample size of 183 staff was drawn. The staff were from procurement and finance departments at Chuka, Dedan Kimathi, Karatina, Embu, Kirinyaga, JKUAT and Murang'a Universities. The study used cluster sampling technique to sample respondents from each university. The study then adopted a census approach for data collection. Semi structured questionnaires were the only research instrument in the study. Data collection involved drop and pick later method to allow the respondents enough time to respond to the questions. Data was analyzed using both inferential and descriptive statistical tools such as correlation and regression analysis, descriptive analysis was also adopted with the help of statistical software for social sciences version 26. The findings were presented in the form of frequency tables and charts. The study established that compliance with contract conditions had significant effect of ($\beta=.549$). Research recommendation was that public universities should ensure compliance with contract terms and conditions by the supplier/service, ensure parties to contracts understand contract document their roles and rights in the procurement process.

Keywords: contract conditions, transaction cost theory, general systems theory, supplier/service.

I. INTRODUCTION

The effective practice of contract management in an organization is critical in boosting its operational performance. In procurement, contract management practice is undertaken to achieve organizational goals as stated in the strategic plan. Operational performance measurement ensures that the overall strategic objectives of an organization are effectively and efficiently realized, measured against the various performance measures, such as, quality, flexibility, speed, efficiency, and supplier relationship. Costello (2011) argues that suppliers get motivated to do business with firms that have effective contract units where activities are straightforward, needs and deadlines met, and costs are well managed; hence enhanced operational performance. As well, Nysten-Haarala, Lee and Lehto (2010) sought to establish the effective incorporation of flexibility in contracting process. They found out that flexibility is important in contract management; thus, improved operational performance. The effect of contract management on operational performance can be measured successfully using suitable operational KPIs. Depending on the nature of the business, operational measures vary across firms and industries (Jusoh & Parnell, 2011). In such a competitive corporate world, organizations strive to establish performance measurement metrics to gauge against their targets and business rivals. Some of the key indicators of operational performance used include efficiency, quality, flexibility, compliance, supplier relationship, supplier defects rates and procurement cycle time (Cho & Pucick, 2015).

Tallam and Ismail (2018) averred in a procurement department where contract management practices take place, several operational performance measures are essential. Firstly, supplier defect rate is a key operational performance indicator used to measure the quality of purchases carried out by a procurement department. This can be achieved by dividing the number of defects by the total purchases, or defective shipments by total shipments. Sarkar (2015) suggested that contract management is successful if: the contract outcome continue to be satisfactory to both parties; the expected business benefits and value for money are being achieved; the organization understands its obligations under the contract; there are no disputes; a professional and objective debate over changes and issues arising can be better trade-off; and efficiencies and effectiveness are being realized.

According to Project Management Institute (2013), all legal contractual relationships generally fall into one of two broad families: either fixed-price or cost reimbursable. There is a third hybrid type commonly in use called time and materials contract. The contract administrator is responsible for compliance by the contractor with the buyer's contractual terms and conditions and to make sure that the final product of the project meets requirements. Project Management Institute (2013) further states that under fixed-price arrangement, buyers need to precisely specify the product or service being procured since changes in scope may only be accepted with an increase in contract price.

Despite the importance of contract management amongst the procurement authorities, public institutions still face diverse challenges associated with contract management. For example, KenGen in 2015 canceled Ksh.52 billion contract awarded to Rentco for the operation of geothermal well-fields because due diligence was not undertaken before the awarding of the contract. The Independent Electoral and Boundaries Commission (IEBC) faced similar contract management challenges in respect to the ballot paper tendering resulting in delay in procurement of the same. Despite the existence of anecdotal evidence suggesting deficiencies in the contract management of public entities in Kenya, studies examining this issue are sparse.

Public institutions play a major role in the development of a country through provision of public services and have become a strong entity in Kenya and very useful engines to promoting development. The procurement reforms in Kenya are impacting pressure on how the procurement function performs its internal and external mandate, processes, and procedures to achieve its objectives. Interactions between various elements, professionalism, staffing levels and budget resources, procurement organizational structure whether centralized or decentralized, procurement regulations, rules and guidance and internal control policies, all need attention and influence the performance of the procurement function. As a result, public procurement is faced by challenges imposed by a variety of environmental factors (external factors) such as market, legal environment, political environment, organizational and socioeconomic environmental factors (Musanzikwa, 2013).

Despite government concentrated efforts in reforming procurement systems, there is still problems attributable to huge losses in improper procurement to the tune of Kshs30 billion and public procurement, therefore, requires a tight or waterproof system to be followed and adopted (Kamau, 2012). Market dynamics have created challenges for many public organizations and some of the key challenges affecting public organizations include the emergence of the global economy advancement in the technology, increased societal demands, organizational scrutiny by pressure groups and more so the heightened media attention that is critical of government inefficiencies in service delivery (Kimaiyo, 2012).

Public universities in Kenya are autonomous institutions with the mandate to teach and conduct research to ultimately train and enhance manpower for national development. They all have a procurement unit which is under finance, administration and planning department and is involved in procurement and supply of goods and services that are essential for the core activities of the faculties, institutes, departments, offices, and other units. It is perceived that procurement professionals in these public universities face a unique set of challenges; workers are required to fully document and audit procurement processes that are often lengthy, labor intensive and time consuming (Kibogo & Mwangangi, 2014). In addition, public universities have several rules, regulations and directives that simply cannot be avoided in any process and these impacts operational performance. For delivery of quality education and to achieve their mandates, public tertiary institutions, particularly universities procure large volumes of goods and services with public funds annually (Aduamoah & Campion, 2012). The findings of Aduamoah and Campion (2012) revealed that the procurement process in Ghana's polytechnics had many bottlenecks to prevent corruption and fraudulent cases.

According to Ndekugri and Turner (2014), proper contract documentation saves institutions from unnecessary arguments, loss of reputation and continuity of business. This is also captured as an important element of procurement contract

management as per the PPAD Act-2015. Contract documentation is therefore essential in communicating the work progress to all key stakeholders and the expectation of each one of them in completion of the contract at the required time and in accordance with quality expectation.

This study looked at the effect of contract management on performance of public universities in Central Kenya region by specifically looking at influence of compliance with contract conditions, contract documentation, contract cost management and contract monitoring on operational performance among public universities in Central Kenya Region. To justify these objectives, the Public Procurement Oversight Authority (2008) asserts that organizations need to create and maintain authentic and reliable records and to protect the integrity of records if they are required. This would be done by ensuring that reliable records are created, preserved, accessed, maintained in a safe and secure environment, the integrity of records is safeguarded (complete and unaltered), comply with legal and regulatory environment, and provide an appropriate storage environment and media.

Another element in contract management in the procurement process is managing of costs of either for the labor or the materials. In most cases, the two costs that are inseparable are put under the HR department for management since they are prone to changes and difficult to predict. The costs are likely to increase the budget for the overall organization or reduce it and they are affected by inflation of the markets that affect shortage/excess of products (Doyle, 2012). Effective contract management will enable an organization to be able to offset such increase and hence create a proper budget. According to Regulation 8 of the Public Procurement and Disposal Regulations 2015, the procurement unit is charged with the responsibility to monitor contract management by user departments to ensure implementation of project contracts in accordance with the terms and conditions of the contracts. The unit is also required to report any significant departures from the terms and conditions of the contract to the head of the procuring entity and to coordinate internal monitoring and evaluation of the supply chain function in respect of the projects being undertaken (Silvana, 2015). This study was conducted in central region as it has a larger number of the total public universities in Kenya. Dedan Kimathi University of Technology, Chuka University, Meru University of Science and Technology, Karatina University, Murang'a University, Kirinyaga University, Jomo Kenyatta University of Agriculture and Technology and Embu University. The choice of central region was to enable the researcher to include more universities in the study to have a larger sample to pick from.

II. STATEMENT OF THE PROBLEM

A study by Thai (2011) found that procurement management in the public sector is faced with issues like lack of competent procurement workforce, corruption, delivery of substandard goods and poor services, incomplete projects and non-compliance with procurement policies which greatly affects the operational performance of these institutions. Marco (2013) research shared that contract management is a proactive way of dealing with all the parties and meeting their needs. It is also about management of risks to improve performance of the contract lifecycle.

Silvana (2015) in his study notes that managing contracts on private-public-partnership aims at optimization of the relationship for it to be efficient and effective and offering a balance between the costs and risks. Kamotho (2014) on the other hand studied how e-procurement affected the performance of procurement in terms of managing costs, inventory levels and the timeliness in procuring and getting value for money and quality products.

In Kenya, despite the procurement reforms and installed system done by the government, there are still issues with the process leading to large loss, as high as KShs30 billion, therefore, there is need to do more and adopt working systems (Kamau, 2012). According to a report by Transparency International (2009), the Kenya government has lost hundreds of millions of taxpayer's monies through canceled contracts, unfinished projects, poor service or product delivery, corruptions and extended contract periods without major improvement. As a result of these economic situations, the World Bank, and the International Monetary Fund (IMF) had to intervene by putting in stringent conditionality's for lending funds to the government which slowed down economic development by 2.1 percent (Transparency International, 2009).

The same challenges have been witnessed in public universities by Chesang (2013) who conducted a study on procurement challenges in public institutions. The researcher established that the procurement officers were non-compliant and did not follow Public Procurement and Disposal Act procedures to the letter; there was poor quality management of goods and services offered by suppliers; the relationship between the universities and suppliers were short

term with majority lasting less than three years, poor monitoring of payment systems leading to delays in processing payment vouchers. However, there is no research linking contract management to operational performance in public universities. Therefore, there is little evidence on compliance and documentation with the procurement laws in public universities, the cost management and monitoring of the procurement process to curb issues of corruption, delayed supply, poor quality of goods and services offered. Thus, this study sought to shed more light on the relationship of compliance with contract conditions and performance of public universities in central region, Kenya.

III. LITERATURE REVIEW

Procurement compliance refers to conforming to the rules in the contract agreement by purchasing organization such as payment terms and minimum order requirements by using framework agreements for the entire company (Telgen, 2019). Procurement performance involves the execution of the procurement activities against set standards. These standards include accuracy, completeness, cost, speed, flexibility, quality of supplies, and supplier profile among many others (Masiko, 2013). According to Limberakis (2012) compliance may be internal or external. Internal compliance can be interpreted as either conforming to the rules in the agreement by purchasing organization such as payment terms and minimum order requirements or in purchasing from agreement only, that is, purchasing by using framework agreements for the entire company (Telgen, 2019).

The central aim of contract management is to obtain the services as agreed in the contract and achieve value for the money spent. This means optimizing the efficiency which measures how productively the resources are used, effectiveness through assessing the results achieved by the service and economy for the price paid for the resource used by service. Sollish and Semanik, (2012) stated that it is in the very nature of some widely used standard contracts, particularly for works, that they should have clear and comprehensive provisions allowing the contracting authority to change the nature, quantity, quality, and completion of the subject of the contract. From a contract management point of view, it is advantageous to be able to address changing circumstances in a transparent, timely, efficiently, effectively, and professionally manner coping the way the challenges of contract management are arise during contract execution.

According to Mwangangi and Karori (2020), the use of framework agreements for the entire company can assist maintaining high contract compliance and reduction in purchasing costs. This can in turn increase the probability of project success. As far as the projects as concerned, external contract compliance can take up several forms including unavailability of products services or qualified personnel, charging prices different from the contracted prices, or late delivery or delivering products that do not meet the contracted specifications.

This study sought to establish the compliance level by supplier and service, provided the level of compliance by public universities to contract terms and how the contracts are awarded. It also looked at communication with all the stakeholders during the procurement process and how this impacted on compliance with contract terms and conditions.

Rotich (2014) in a study on the contract management practice and operational performance of state corporations indicated that there are diverse aspects involved in contract management. These factors include contractor monitoring and acceptance management; managing the contractor relationship; contract administration; dispute resolution; and contract closure (Vatankhah, *et al.*, 2012). The contractor monitoring involves the examination that the contractor is fulfilling the contractual obligation as agreed. This enables the identification of any emergent issues and quick resolution of those issues. On the other hand, contract administration involves the maintaining an updated form of the contract; controlling and managing contract variations; paying the contractor; managing assets; drafting reports; and terminating the contract.

Bakari (2015) did a study on procurement contracting practices used by government owned entities in the Ministry of Transport and Infrastructure in Kenya and the relationship between procurement contracting practices and service delivery of government owned entities in the Ministry of Transport and Infrastructure in Kenya. This study used a descriptive research design with a target population of 351 staff working in the procurement departments in government owned entities under the ministry of transport and infrastructure. The study established that government owned entities that the compliance level was weak in relational procurement contracting practices, non-competitive procurement contracting practices and negotiated procurement contracting practices which greatly influence service delivery in government owned entities. The study suggested that the government of Kenya should formulate more policies to emphasize on the use of competitive procurement contracting practices as they will help to reduce corruption, ensure quality and low cost as well as improve service delivery. As much as the study focused on compliance among state owned

institutions, the research was blanketed on relational procurement contracting practices, non-competitive procurement contracting practices and negotiated procurement contracting practices which is difficult for policy makers to come up with policies on contract compliance in procurement management. This study, therefore, seeks to look at the level of compliance in terms of both the supplier and service provider, and transparency in awards of the contract.

Ameyaw, Mensah and Osei-Tutu (2012) examined public procurement in Ghana by looking at the implementation challenges to the Public Procurement Law 2003 (Act 663). The purpose of this study was to identify various implementation bottlenecks to the Ghana Public Procurement Law 2003 (Act 663). The study adopted multiple research approaches, including review of relevant literature, interviews, and questionnaire survey of 49 District Assemblies and Metropolitan and Municipal Assemblies in the Ashanti and BrongAhafo Regions of Ghana. The study identified low capacity of procurement professionals, low interaction between procurement entities and Public Procurement Authority (PPA), deliberate controlling of competition, non-compliance with provisions of the law, splitting of contracts into smaller lots, lack of funds and non-cooperativeness of suppliers, as the major challenges militating against the implementation of the Public Procurement Law.

Eyaa and Oluka (2011) did an explaining on non-compliance in public procurement in Uganda. The paper aims at contributing to the debate on the causes of non-compliance with public procurement regulations in Uganda. The hypotheses tested in this study were 13 adopted from review of literature in a cross-sectional study. Data was collected from 46 Central Government procuring and disposing entities using a structured questionnaire. The empirical findings indicate that of the three variables which are professionalism, familiarity with procurement regulations and institutional factors, only one variable, familiarity, is a significant predictor of compliance. The model explains 52.4% of the variation in compliance with regulations.

Chemoiywo (2014) also conducted a study on the extent of compliance with public procurement procedures in Kenya by state corporations. The specific objectives were to establish the challenges of compliance with the public procurement procedures in state corporations in Kenya and to determine the effect of compliance with public procurement on supply chain performance. Descriptive research design was adopted. The findings were that the extent of compliance with public procurement procedures, key challenges of compliance with public procurement that came out included the prices of public procurement of works and services are too high and which in effect had a significant influence on the supply chain performance. It was concluded that compliance will improve the performance of supply chain, enhance transparency and accountability. Though the results and conclusion form a strong basis for policy makers and state corporations in addressing compliance challenges, it is essential to establish whether these results can be applied in public universities and what areas that needs to be addressed to improve procurement contract compliance among the public universities.

Muhittin and Reha (2018) revealed that one of the most consistent problems organizations face in the procurement process is undetected financial leakage. Organizations often fail to realize the efficiencies that can be gained through the automation of key business processes. The development of procurement function and its effects on an organization's performance depend on two factors: the monetary value and the cost saving opportunities. Automation of enrollment and online classes improves efficiency and cost saving especially administrative cost per student and improve value for money. Cost savings can be evaluated through instructional cost measured by number of part-time and full-time faculty members, Procurement has direct and indirect costs that clearly affect effectiveness.

The organizational structure, division of work and operation efficiency are components that modify the effectiveness of procurement function. The procurement processes and procedures have a close relation to other functions in the organization and on their efficiency as well. As an example, improvements in and on the delivery, times reflect the total costs on the logistics and production side. Reducing the total costs can be perceived as reduced quality of products. Cost efficient procurement doesn't imply that the quality of products would decrease (Javier, Lorenzo & Inked, 2010). Procurement cost reduction can be measured by percentage cost reduction and value for money achieved through reduced life cycle cost of machinery and equipment's or services. The efficient use of procurement methods is an answer to releasing the organization's capital. Controlling financial assets can be executed by balancing the payment terms between the sales of assets and purchases of debt providing the economically most advantageous solution. Correct controlling of components like investment and property management influences the release of capital when the knowhow of procurement staff is used properly. This will result in a reduction of invested capital and depreciation of products. Using the supplier network as a tool to outsource parts of production or supply chain to suppliers will give an opportunity to release capital. This won't change the capital structure of the organization in any way (Beer, 2011).

Knudsen (2012) suggested that procurement performance starts from purchasing efficiency and effectiveness in the procurement function to change from being reactive to being proactive to attain set performance levels in an entity. For any organization to change its focus and become more competitive. Amaratunga and Baldry (2013) suggest that performance is a key driver to improving quality of services while its absence or use of appropriate means can act as a barrier to change and may lead to deterioration of the purchasing function. Suppliers' performance can be measured whether they meet delivery time, completeness of delivery, defects rates and customers satisfaction. This information can be obtained through customer surveys. Organizations which do not have performance means in their processes, procedures, and plans experience lower performance and higher customer dissatisfaction and employee turnover (Amaratunga & Baldry, 2013). Measuring the performance of the purchasing function yields benefits to organizations such as cost reduction, enhanced profitability, assured supplies, quality improvements and competitive advantage as was noted (Batenburg & Versendaal, 2015).

IV. RESEARCH METHODOLOGY

The study was anchored on the agency theory, transaction cost theory, general systems theory and contract compliance theory. The study used descriptive research. The study targeted population was 371 staff, sampling frame had 339 staff comprising of 172 staffs from procurement departments and 167 from finance departments out of which a sample size of 183 staff was drawn. The staff were from procurement and finance departments at Chuka, Dedan Kimathi, Karatina, Embu, Kirinyaga, JKUAT and Murang'a Universities. The study used cluster sampling technique to sample respondents from each university. The study then adopted a census approach for data collection. Semi structured questionnaires were the only research instrument in the study. Data collection involved drop and pick later method to allow the respondents enough time to respond to the questions. Data was analyzed using both inferential and descriptive statistical tools such as correlation and regression analysis, descriptive analysis was also adopted with the help of statistical software for social sciences version 26. The findings were presented in the form of frequency tables and charts.

V. FINDINGS

The findings on the effect of compliance with contract conditions on performance of public universities in central region, Kenya were as presented in the table 1.

Table 1: Effect of Compliance with Contract Conditions on Performance

Statements		SD	D	UD	A	SA	Mean	STDEV
Compliance with the contract terms and conditions by the supplier/service provider enhance effectiveness in contract management	Freq	10	12	26	59	30	3.642	1.361
	%	7	9	19	43	22		
Compliance with the contract terms and conditions by awarding the contract to the most suitable party during the procurement process improves on efficiency in contract management	Freq	4	5	5	59	63	4.241	1.26
	%	3	4	4	43	46		
The institution you work for comply with the general contract's terms and conditions during the procurement process	Freq	12	21	27	53	23	3.401	1.184
	%	9	15	20	39	17		
Compliance with the specific contract's terms and conditions results to achievement of best value for money in procurement process	Freq	3	11	21	56	47	3.971	1.339
	%	2	8	15	41	34		
Compliance with contract Conditions							3.814	1.286

The findings in Table 1 indicated the value of average as $M=3.814$, Stdev of 1.286 this meant that respondents agreed that there was compliance with contract conditions in their respective institutions. The finding is supported by Telgen (2019) who observed that compliance in the context of procurement is the need to confirm to the contractual rules like the terms of payment and the minimum requirements for order.

It was established that 43% of the respondents agreed that there was compliance with the contract terms and conditions by the supplier/service provider enhance effectiveness in contract management, 22% strongly agreed, 19% were undecided, 9% disagreed and 7% strongly disagreed. It then follows that in general, 65% of the respondents agreed with a mean of 3.642 that there was compliance with the contract terms and conditions by the supplier/service provider enhance effectiveness in contract management. The finding is supported by Silvana (2015) who did an inquiry on management of contract with the public partnership context and argue that contract management aimed at optimizing the level of efficiency while bringing about a balance between risks and costs and through active management of the interplay between parties.

The results showed that 46% of the respondents strongly agreed that there was compliance with the contract terms and conditions by awarding the contract to the most suitable party during the procurement process improves on efficiency in contract management, 43% agreed, 4% were undecided, another 4% disagreed and 3% strongly disagreed. Thus, 89% of the respondents generally agreed (with a Mean= 4.241) that there was compliance with the contract terms and conditions by awarding the contract to the most suitable party during the procurement process improves on efficiency in contract management. The finding is echoed by Limberakis (2012) who said that compliance may be internal or external. Telgen (2019) shared that compliance in the context of procurement is the need to confirm to the contractual rules like the terms of payment and the minimum requirements for order.

The findings of the study showed that 17% strongly agreed, 39% of the respondents agreed that the institution they worked for complied with the general contract's terms and conditions during the procurement process, 20% were undecided, 15% disagreed and 9% strongly disagreed. This meant that overall, as to whether the institution that respondents worked for complied with the general contract's terms and conditions during the procurement process, a mere 56% accepted with a mean of 3.401. However, with a substantial percentage, 20% of respondents remained undecided thereby leaving many unanswered questions.

The study established that 41% of the respondents agreed that there was compliance with the specific contract's terms and conditions results to achievement of best value for money in procurement process, 34% strongly agreed, 15% were undecided, 8% disagreed and 2% strongly disagreed. This meant that in general, 75% of the respondents supported the statement (with a Mean=3.971 and a standard deviation of 1.339) from the mean that there was compliance with the specific contract's terms and conditions results to achievement of best value for money in procurement process. The finding is consistent with Mchopa (2013) who showed that contracts had relevant terms and conditions of guarantying the value for money utilized. It also emerged that there was effective execution and management of the contracts relative to the terms.

Open ended questionnaires sought to establish the specific factors that influence the procurement processes in relation to compliance with contract conditions in the studied organization. Respondents shared that the terms of the contract formed vital aspects of contract conditions and the organization was required to comply with them. The other concern raised by the respondents was the way the contract was awarded and the involved procedures of appraisal that needed to be followed before the contract was duly awarded to the suitable contractor. Respondents were further asked to disclose the specific parameters that were used to determine a service provider or supplier in compliance with the contract terms and conditions during the procurement process in the studied institution. From results, respondents disclosed that prior to award of contract to the supplier, an appraisal was done to determine their financial and technical capability. Another respondent said that the terms and conditions of the contract were clearly specified and clarified to the supplier prior to the award of the contract.

The section below presents the results of regression analysis. A multiple regression analysis was conducted to test the relationship among predictor variables.

Table 2: Model Summary on Compliance with Contract Conditions

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.646 ^a	.417	.413	1.11602

From Table 2, the value of R square is given as 0.417; this implies that 41.7% change in operational performance is explained by compliance with contract conditions. The ANOVA results are captured in Table 2.

Table 3: ANOVA on Compliance with Contract Conditions

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	120.326	1	120.326	96.609	.000 ^b
Residual	168.141	135	1.245		
Total	288.467	136			

The results in Table 3 indicate that on overall, the regression model used to predict the effect of compliance with contract conditions on operational performance was significant (F=96.609, P<0.05). Table 4 indicates the results on beta coefficients and significance.

Table 4: Beta Coefficients on Compliance with Contract Conditions

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	1.482	1.696		.874	.384
Compliance with Contract Conditions	.870	.089	.646	9.829	.000

The findings in Table 4 indicate that compliance with contract conditions (p<0.05) had significant effect on operational performance. Eyaa and Oluka (2011) indicate that of the three variables which are professionalism, familiarity with procurement regulations and institutional factors, only one variable, familiarity is a significant predictor of compliance.

VI. CONCLUSION

That there was compliance with the contract terms and conditions by the supplier/service provider that enhanced effectiveness in contract management. And that there was compliance with the contract terms and conditions whereby awarding the contract to the most suitable party during the procurement process improved efficiency in contract management. The findings of the study also indicated that overall, the public universities in central region complied with the general contract's terms and conditions during the procurement process. That there was compliance with the specific contract's terms and conditions results in the achievement of best value for money in the procurement process. Correlation results were that contract compliance has a strong positive correlation with operational performance. The findings of regression analysis demonstrated that contract compliance had the least effect on performance of public universities in central Kenya.

VII. RECOMMENDATIONS OF THE STUDY

That It is important that public universities ensure that compliance with the contract terms and conditions by the supplier/service provider is enhanced to provide effectiveness in contract management. That with a substantial number not deciding on the question, the management of the respective universities together with departmental heads ensure that the general contract's terms and conditions during the procurement process are complied with.

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