

## **INFLUENCE OF POST EVALUATION ENGAGEMENT PRACTICE ON ASSET DISPOSAL IN ENERGY SECTOR STATE CORPORATIONS IN KENYA**

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### **Abstract**

*The purpose of this study was to evaluate the influence of procurement practices on asset disposal in energy sector state corporations in Kenya. The general objective of this study was to evaluate the influence of procurement practices on asset disposal in energy sector state corporations in Kenya. The specific objectives were to investigate the effect of pre-disposal engagement practice on asset disposal in energy sector state corporations in Kenya; to establish the influence of e-procurement practice on asset disposal in energy sector state corporations in Kenya; to assess the effect of procurement skills practice on asset disposal in energy sector state corporations in Kenya; to evaluate the influence of inventory management practice on asset disposal in energy sector state corporations in Kenya and to examine the influence of post evaluation engagement practice on asset disposal in energy sector state corporations in Kenya. From the study it was established that post evaluation engagement practice influence asset disposal. The study concludes post evaluation engagement practice had a positive correlation with asset disposal in energy sector state corporations in Kenya. This implied that post evaluation engagement practice influence positively asset disposal in energy sector state corporations in Kenya and therefore  $H_0$  was rejected. Therefore, from the findings the study concludes that the greater the use of post evaluation engagement practice the greater it will effect asset disposal. A key finding of the study on post evaluation engagement practice was the low levels of communication to the successful bidders and also the delays in releasing the disposed assets.*

**Keywords:** *post evaluation engagement, asset disposal, state corporation*

### **Problem Statement**

The Public Procurement and Asset Disposal Act 2005 and reviewed as public procurement and disposal act 2015 aimed at promoting non-discrimination, transparency and fairness in public procurement and disposal of asset. It was aimed at ensuring that public funds are utilized effectively during the procurement and disposal of public assets. However, evidence indicates that the compliance to the ACT is still low at both levels of government (i.e. national and county level). More attention has been given to the impact/effect of the ACT; factors affecting its implementation; compliance to the Act by the procurement staff; effect of staff training on compliance; challenges to compliance within the Kenya context even after the review in 2015 (Karimi & Namusonge, 2014; Onchwari & Muturi, 2015; Maina & Omboto, 2016; Sang & Mugambi, 2014; Ndumbi & Okello, 2015; Wahome, 2015) with less attention given to potential factors causing the inefficiency in disposing public assets, and in particular energy sector state corporations within the Kenyan Context.

The inefficiency in the disposal of assets in the public sector is caused post evaluation engagement practice. Despite the fact that numerous studies have been done on procurement, there are limited studies within the context of influence of post evaluation engagement practices on asset disposal in the energy sector state corporations in Kenya. Susan and Namusonge (2014) in their study concluded that public sector organizations within Yatta sub-county, which is in Kenya, had exhibited low rates of disposal. These studies didn't explore the influence of post evaluation engagement practices on asset disposal in the energy sector state corporations in Kenya

It is estimated that inefficiencies in the processes of public disposal cost Kenya about 50 Billion annually. This is due to poor disposal planning Wahome and Marendi (2015). It is in view of this dilemma that this study assessed the influence of post evaluation engagement practices on asset disposal in energy sector state corporations in Kenya and addressed the gaps in previous studies that have a bias towards procurement in Kenya and those done in developed nations mostly focusing on land disposal. This created a significant knowledge gap that therefore formed the basis of this study.

### **Objectives of the Study**

The general objective of this study was to evaluate the influence of procurement practices on asset disposal in energy sector state corporations in Kenya with a specific objective to examine the influence of post-evaluation engagement practice on asset disposal in energy sector state corporations in Kenya.

### **Research Hypothesis**

The following research hypotheses was proposed for this study;

H01: There is no significant influence of post evaluation engagement practice on asset disposal in energy sector state corporations in Kenya.

### **Theoretical Framework**

This study was anchored on agency theory.

#### **Agency Theory**

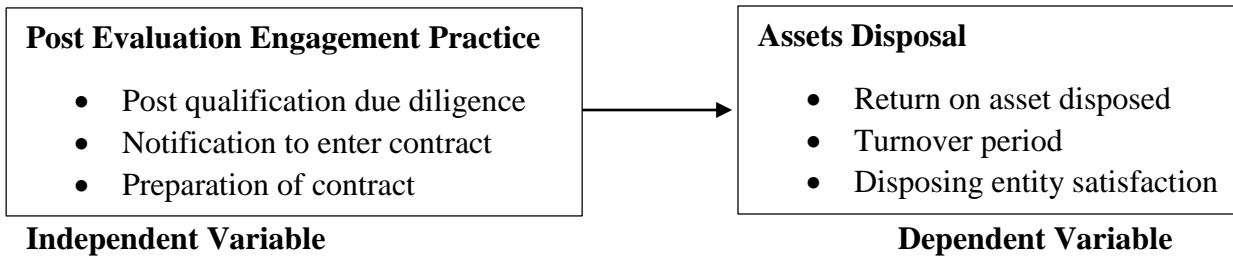
Proponents of Agency Theory posit that agency relationship is created when two parties engage and cooperate in association with one party delegating work or decisions to another party. It conceptualizes agent relationship as a relationship where one party executes decisions or tasks on behalf of another (the principle) (Awino & Marendi-Getuno, 2014). The proponents of this theory assume that between agents and principles, there exists a goal conflict with each party in the principle-agent relationship working to achieve self-interest; and that there exists information asymmetry between agents and principles with principals seen as less risk averse than agents (Xingxing & Kaynak, 2012). Langevoort (2009) suggests that the principal-agent relation determines the extent to which procurement stakeholders comply with the procurement regulations and rules as required by the Public Procurement and Asset Disposal Regulation 2006 and Public Procurement & Asset Disposal Act of 2015, (PPDA, 2015).

It is suggested that procurement managers and accounting offices in state corporations take the role of organization stakeholders and government. Within the context of the present study, this is used to explain the relationship between sticking to post evaluation engagement practices as provided in Public Procurement and Asset Disposal Regulation of 2006 and Public Procurement & Asset Disposal Act of 2015. It is envisaged that the procurement managers would act as agents of government (the principal) to engage in post evaluation engagement practices while conforming to the procurement regulation. Procurement regulations are prefigured

as interventions whose aim is to ensure nonconformist procurement officials begrudgingly obey the regulations. The procurement agents are seen as the key implementers of post evaluation engagement practices.

**Conceptual Framework**

The conceptual framework in figure 1 shows that asset disposal is affected directly by post evaluation engagement practice



**Review of Variables**

**Post Evaluation Engagement Practice and Asset Disposal**

**a. Post qualification due diligence**

An evaluation committee after tender evaluation, but prior to the award of the tender, conduct due diligence and present the report in writing to confirm and verify the qualification of the tenderer who submitted the lowest evaluated responsive tender to be awarded the contract in accordance with the act under section 83; the conduct of due diligence may include obtaining confidential references from persons with whom the tenderer has had prior engagement, (PPDA, 2015). The professional opinion provide guidance on the procurement proceeding in the event of dissenting opinions between tender evaluation and award recommendations, (PPDA, 2015).

**b. Notification to enter contract**

Notification of intention to enter into a contract is a key contributor to successful procurement or disposal process. Section 87 of the act states thus; before the expiry of the period during which tender must remain valid, the accounting officer of a procuring entity shall notify in writing the person submitting the successful tender that his or her tender has been accepted; the successful bidder shall signify in writing the acceptance of the award within the time frame specified in the notification award, (PPDA, 2015).

When a person submitting the successful tender is notified, the accounting officer of the procuring entity shall also notify in writing all other persons submitting their tender that their tenders were not successful, disclosing the successful tenderer as appropriate and reasons thereof; for greater certainty, a notification does not form a contract nor reduce the validity for a tender of tender security as detailed in subsection 4 of the act, (PPDA, 2015).

**c. Preparation of contract**

Upon completion of all the procurement or disposal proceedings the final stage is contract signing which is covered by sections 134 and 135 of the public procurement and disposal act; the accounting officer shall be responsible for preparation of contracts in line with award decisions; the existence of a contract shall be confirmed through the signature of a contract document incorporating all agreements between the parties and

such contract shall be signed by the accounting officer or an officer authorized in writing by the accounting officer of the procuring entity and the successful tenderer, (PPDA, 2015).

**Asset Disposal**

The Public Procurement and Disposal Act of 2005 and reviewed in 2015 emphasizes that the disposal of government assets should be conducted with the outcome of appropriately handling items that require special attention/consideration during disposal, realizing the best net return during the disposal/selling the item, ensuring that all disposal activities are undertaken in an accountable, transparent, fair and efficient manner, (PPDA, 2015).

During the disposal of the Government assets, the accounting procedures must be performed based on the Finance Instructions. It is recommended that the disposal of the government assets must be done with reasons and be documented as this help in auditing and in highlighting issues and successes for purposes of future reference. The Act suggests that the government asset that is disposed through selling should be based on its reserve value, which should reflect its fair market value. The sale price of the item should be based on the current market value of the good as well as its condition.

**Research Methodology**

The target population was 349 employees of the five energy sector state corporations. However, the respondents were randomly selected through multi-stage sampling technique and the sample size was 183 employees as displayed in table 1 below. Quantitative research design was adopted for the study. The primary data was collected through a self-administered semi-structured questionnaire using the key-informant method. Hence the distribution of questionnaires to top managers produced 146 respondents. Information relating to energy state corporations in the annual and published financial statements in national newspapers, during annual general meetings and in-house magazines or literature were used to provide secondary data information on assets

**Table 1: Sample size**

Management Level	Kenya Power		Kenya Electricity Generating Company		Kenya Electricity Transmittin g Company		Rural Electrification Authority		Geothermal Development Company		Total	
	P	S	P	S	P	S	P	S	P	S	P	S
Top management level	11	6	10	8	9	5	13	8	11	6	54	30
Middle management level	20	10	19	10	22	12	21	10	18	10	100	52
Low management level	40	21	42	22	33	17	45	23	35	18	195	101
<b>Total</b>	<b>71</b>	<b>37</b>	<b>71</b>	<b>37</b>	<b>64</b>	<b>34</b>	<b>79</b>	<b>41</b>	<b>64</b>	<b>34</b>	<b>349</b>	<b>183</b>

**Source: Companies Annual Reports (2017)**

**Reliability**

The reliability of the research instrument were established by testing for both consistency and stability. Consistency indicates how well items hang together as a set. Cronbach alpha was used to test for consistency and reliability. Cronbach alpha coefficients range from 0 to 1. Sekaran (2010) opines that a Cronbach alpha of at least 0.7 should be accepted as adequate since the higher the Cronbach alpha the higher the internal consistency and reliability. Data reliability which is a measure of internal consistency and average correlation was measured using Cronbach’s alpha coefficient which ranges between 0 and 1 (Kipkebut, 2010). Higher alpha coefficient values means that scales are more reliable. Cronbach’s alpha is a general form of the Kuder-Richardson (K – R) 20 formula. The formula is as follows:

$$KR_{20} = \frac{(K) (S^2 - \Sigma S^2)}{(S^2) (K - 1)} \dots\dots\dots \text{Equation (ii)}$$

KR<sub>20</sub> = Reliability coefficient of internal consistency

K = Number of items used to measure the concept

ΣS<sup>2</sup> = Variance of all scores

S<sup>2</sup> = Variance of individual items

**Source: Sekaran (2010)**

**Data Analysis and Presentation**

**Qualitative Data analysis**

Data was analyzed using quantitative technique. Inferential statistics included Analysis of Variance (ANOVA), Pearson correlation and Multi linear regression analysis. These was used to establish the relationship among the study variables and to test the formulated hypotheses at 95% confidence level and 5% level of significance. Preliminary associations among the study variables was assessed using correlations which was tested at 95% confidence level (level of significance, α = 0.05). Data processing and analysis was finally done through use of quantitative.

**Quantitative Analysis**

The data obtained through questionnaires was analyzed; firstly, by calculating response rate and descriptive statistics such as mean, standard deviation and frequency distributions, which according to Kothari (2012) these measures inform the point about which items have a tendency to cluster and also describes the characteristics of the collected data. Secondly, the data collected on each of the independent variables under study and their influence on asset disposal in energy state corporations in Kenya was analyzed using inferential statistics. Multiple regressions was used to determine the type of relationship that exists between the dependent and independent variables. This was done by obtaining an equation which describes the dependent variable in terms of the independent variables based on the multiple regression models. To test the hypothesis for this study, the independent variables were regressed against asset disposal as the dependent variable. Regression is used to test the effects of independent (predictor) variables on a single dependent (criterion) variable. Regression tests the deviation about the means and therefore the multiple linear regression model for this study took the form:-

$$Y = \beta_0 + \beta_1 X_1 + \epsilon \dots\dots\dots \text{(iii)}$$

Where:

- Y = Dependent variable (Asset Disposal).
- $\beta_0$  = Constant or intercept which is the value of dependent variable when all the independent variables are zero.
- $\beta_1$  = Regression coefficient to be estimated
- $X_1$  = Post evaluation engagement practices
- $\varepsilon$  = Error term

According to Mugenda and Mugenda (2003), multiple regression analysis attempts to determine whether a group of variables together predict a given dependent variable and in this way, attempt to increase the accuracy of the estimate. In justification of the above model, the researcher developed a model from the trend of the data accounting for variability. The researcher found the linear regression and examined the correlation coefficient and use coefficient of determination.

### Variable Definition and Measurement

The measurement of variables in this study was conceptualized as provided in table 3.3 below:-

**Table 2: Measurement of Variables**

Variable Definition	Indicators	Measurement
Post-disposal engagement practice	-Post evaluation due diligence -Notification to enter contract -Preparation of Contract	Overall, on a scale of 1 to 5, where 5 is the scale of the highest extent of use of predisposal engagement practices and 1 is the lowest.
Asset Disposal	-Return on Asset Disposed -Turnover Period -Disposing Entity Satisfaction	Overall, on a scale of 1 to 5, where 5 is the scale of the highest extent and 1 is the lowest.

### Diagnostic tests

#### Multicollinearity

According to Kothari (2004) the simplest means of identifying collinearity is an examination of the correlation matrix for independent variables. The presence of high correlations which is normally higher than 0.90 is the first indication of substantial collinearity. The test for multicollinearity was conducted to assess whether one or more of the variables of interest is highly correlated with one or more of the other independent variables. The variance inflation factor was used to evaluate the level of correlation between variables and to estimate how much the variance of a coefficient is inflated because of linear dependence with other predictors. As a rule of thumb if any of the VIF is greater than 10, then there is a probability of a problem with multicollinearity.

#### Homoscedasticity

The study was also checked the existence of homoscedasticity which refers to the assumptions that the variability in scores for one continuous variable is roughly the same at all values for another continuous

variable constitutes another assumption of multivariate analysis (Marr, 2004). To test for homoscedasticity, Levene test for equality was computed using one way ANOVA procedure. It will be used to assess the equality of variances for a variable calculated for two or more groups.

**Normality test**

A normality test was done using Q-Q probability plot for all the variables under investigation. Kolmogorov-Smirnov test and the Shapiro-Wilk test were used. It is a more reliable test for determining skewness and kurtosis values of normality. If it is below 0.05, the data significantly deviate from a normal distribution. Wheeler (2001) asserts that the use of inferential parametric statistical procedures require that the assumptions of such tests of normality are tested. This is to assist the graphical tests to be performed about the normality of the data to check for skewness and kurtosis coefficients. This test helps to confirm whether the data follows a normal distribution or not. If the normality is not achieved, the results may not depict the true picture relationship amongst the variables.

**Linearity**

Finally, linearity of data was tested using kurtosis tests (Locke and Latham, 2002). The study employed univariate analysis to identify the determinants of asset disposal, the bivariate to establish the relationships among the determinants and multivariate to derive a model and validate it. Since the study used multivariate analysis to develop a model, assumptions like linearity will be tested.

**Hypothesis Testing**

The null hypothesis was tested as follows:

**Table 3: Hypothesis testing**

Hypothesis	Hypothesis test	Decision rule and anticipated model
H <sub>01</sub> There is no significant influence of post evaluation engagement practice on asset disposal in energy sector state corporations in Kenya	Karl Pearson’s zero order coefficient of correlation(Beta test) H <sub>0</sub> : β = 0 H <sub>A</sub> : β ≠ 0 Reject H <sub>01</sub> if p-value ≥ 0.05 (Otherwise fail to reject)	Reject H <sub>05</sub> if p-vale ≤0.05 (otherwise fail to reject) P=α+β <sub>5</sub> PP+ε

**Key Findings**

This chapter presents the findings of the study, data analysis and interpretation basing on the overall objectives of the study. The general objective of this study was to evaluate the influence of procurement practices on asset disposal in energy sector state corporations in Kenya and was guided by the following specific objective; to examine the influence of post-evaluation engagement practice on asset disposal in energy sector state corporations in Kenya.

The study targeted a sample of 183 respondents, who were top level management, middle level management and the low level management in all the five State corporations in Kenya namely; Kenya Power (KP), Kenya Electricity Generating Company (KENGEN), Kenya Electricity Transmission Company (KETRACO), Rural Electrification Authority (REA) and Geothermal Development Company (GDC). A total of 148 self-

administered questionnaires were filled out of the expected 183 yielding a response rate of 80.87 percent as depicted in Table 4.

**Table 4: Response Rate**

<b>Response rate</b>	<b>Sample size</b>	<b>Percentage (%)</b>
Returned questionnaires	148	91
Un-returned questionnaires	35	19
<b>Total</b>	<b>183</b>	<b>100</b>

This good response rate was attributed to the data collection procedure, where the researcher personally administered questionnaires and waited for the respondents to fill, and picked the filled questionnaires. This response rate demonstrated the willingness of respondents to participate in the study. This response rate was good and representative. Mugenda (2008), established that a response rate of 50 percent is adequate for analysis; a rate of 60 percent is good and a response rate of 70 percent and over is excellent.

**Descriptive Results**

**Table 5: Results of Post Evaluation Engagement practice**

<b>Post Evaluation Engagement practice</b>	<b>Not at all (%)</b>	<b>Small extent (%)</b>	<b>Moderate (%)</b>	<b>Great extent (%)</b>	<b>Very Great extent (%)</b>	<b>Mean</b>	<b>Std. deviation</b>
In our organization there is post qualification due diligence done on the selected bidder	3	14	45	23	15	3.33	.997
In our organization post qualification due diligence influence asset disposal	0	2	8	32	59	4.48	.707
In our organization proper communication of notice to enter contract with the selected bidder influence asset disposal	15	14	26	23	22	3.22	1.352
In our organization upon taking delivery the disposed asset immediately leaves our custody	6	11	21	33	29	3.68	1.179
In our organization contract preparation and signing influence asset disposal	3	16	27	31	23	3.56	1.111

From the study findings, it was found that post qualification due diligence influence asset disposal which was very highly rated with a mean of 4.48. Also, from the study it was established that post qualification due diligence done in organizations, proper communication of notice to enter contract with the selected bidder is done, organization upon taking delivery the disposed asset immediately leaves our custody and contract preparation and signing also influence asset disposal as they were highly rated with means of 3.33, 3.22, 3.68 and 3.56.



Based on the study findings, it was noted that prior to the award of the tender, organizations conduct due diligence and present the report in writing to confirm and verify the qualification of the tenderer who submitted the lowest evaluated responsive tender to be awarded the contract. These findings are in harmony with section 83 of Public Procurement and Asset Disposal act (2015) which states that before the award of contract the organization should conduct due diligence which may include obtaining confidential references from persons with whom the tenderer has had prior engagement. Also, the study observed that proper communication should be done to notify formally the bidder who has won the contract. This result is in agreement with the Public Procurement and Asset Disposal act (2015) which state that accounting officer of a procuring entity shall notify in writing the person submitting the successful tender that his or her tender has been accepted; the successful bidder shall signify in writing the acceptance of the award within the time frame specified in the notification award.

Likewise, the study noted that upon completion of all the procurement or disposal proceedings organization prepare contracts and sign the contract. This findings concurred with Public Procurement and Asset Disposal act (2015) which states that upon completion of all the procurement or disposal proceedings the final stage is contract signing which is covered by sections 134 and 135 of the public procurement and disposal act; the accounting officer shall be responsible for preparation of contracts in line with award decisions; the existence of a contract shall be confirmed through the signature of a contract document incorporating all agreements between the parties and such contract shall be signed by the accounting officer or an officer authorized in writing by the accounting officer of the procuring entity and the successful tenderer. The tender documents shall be the basis of all procurement and disposal contracts and shall, constitute at a minimum: - contract agreement form; tender form; price schedule or bills of quantities submitted by the tenderer; schedule of requirements; technical specifications; general conditions of the contract; special conditions of the contract and notification of award (PPDA, 2015).

**Table 6: Results of Asset Disposal**

<b>Asset Disposal</b>	Not at all (%)	Small extent (%)	Moderate (%)	Great extent (%)	Very Great extent (%)	Mean	Std. deviation
In my organization we strive to minimize disposal expenditure	0	0	8	41	51	4.43	.640
In my organization after disposal a check is done on the disposal amount vis a vis the evaluation	0	3	14	43	40	4.19	.800
In my organization an evaluation is done on the duration taken during disposal of assets	0	2	8	30	60	4.49	.716
In my organization an evaluation is down on the duration taken to handover the items disposed	0	0	13	32	56	4.43	.712
In my organization an evaluation is done on the process to identify any bottleneck or litigation on the process	0	0	15	34	52	4.37	.730

From the study findings, it was found that organizations strive to minimize disposal expenditure, a check is done on the disposal amount vis a vis the valuation after disposal, evaluation is done on the duration taken

during disposal of assets, evaluation is done on the duration taken to hand over the items disposed and evaluation is done on the process to identify any bottlenecks or litigation on the process. All these were rated very highly by respondents with the means of 4.43, 4.19, 4.49, 4.43 and 4.37 respectively. From the study, it was also found that there was no significant difference in the responses of the respondents since the standard deviation was less than one.

These study findings concurred with Gadde (2011) who established that asset disposal should be determined based on the level to which procurement expenditure is minimized, the level of accountability and transparency during the expenditure of procurement funds, and the level of compliance with procurement regulations during the disposal. Also the PPDA (2015) states that procurement and disposal of an asset must be fair, competitive, honest, cost-effective and transparent.

**Table 7: Multicollinearity Test Results for the Study Variable**

Variables	Tolerance	VIF
Post evaluation engagement	0.399	2.506

**Multiple Regression Results**

The study used multiple regression analysis to determine the linear statistical relationship between the independent and dependent variable of this study. The null hypotheses as stated in this study were tested using regression models.

**a) Test of hypothesis 1: There is no significant influence of post evaluation engagement practice on asset disposal in energy sector state corporations in Kenya.**

The study conducted regression analysis so as to examine the influence of post-evaluation engagement practice on asset disposal in energy sector state corporations in Kenya. The hypothesis to test for this specific objective was:

**H<sub>01</sub>:** There is no significant influence of post evaluation engagement practices on asset disposal in energy sector state corporations in Kenya

**Table 8: Model Summary of post evaluation engagement**

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate
1	.436 <sup>a</sup>	.190	.185	4.016

The linear regression model shows  $R^2 = 0.185$  which means that 18.5% change of asset disposal in energy sector state corporations in Kenya can be explained by a unit change of post evaluation engagement practice. The result is shown in Table 9.6. Also, the result indicated that one unit change in post evaluation engagement translates to 18.5 percent change in asset disposal in energy sector state corporations in Kenya and therefore, post evaluation engagement practice has influence on asset disposal.

**Table 9: ANOVA<sup>a</sup> of post evaluation engagement**

Model		Sum Squares	ofdf	Mean Square	F	Sig.
1	Regression	552.770	1	552.770	34.265	.000 <sup>b</sup>

Residual	2355.305	146	16.132
Total	2908.074	147	

- a. Dependent Variable: Asset Disposal
- b. Predictors: (Constant), Post evaluation engagement practice

Further test on ANOVA in Table 9.7 shows that the significance of the F-statistic (34.265) is less than 0.05 since p value,  $p=0.00$ . This implies that there is a positive significant relationship between post evaluation engagement practice and asset disposal in energy sector state corporations in Kenya.

**Table 10: Coefficients<sup>a</sup> of post evaluation engagement**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	11.359	1.649		6.888	.000
Post evaluation engagement practice	.374	.064	.436	5.854	.000

- a. Dependent Variable: Asset Disposal

Further test on the beta coefficients of the resulting model, as shown above, the constant  $\alpha = 0.436$ , if the independent variable of post evaluation engagement practice is held constant then there will be a negative asset disposal in energy sector state corporations in Kenya by 0.436.

The regression coefficient for post evaluation engagement practice was positive and significant ( $\beta = 0.436$ ) with a t-value=5.854 ( $p\text{-value} < 0.001$ ) implying that for every 1 unit increase in post evaluation engagement practice, asset disposal in energy sector state corporations in Kenya is predicted to increase by 0.436 units and therefore  $H_{01}$  is rejected.

From the study findings, it was observed that post evaluation engagement influence asset disposal positively in energy sector state corporations in Kenya. The organizations conduct post qualification due diligence on bidder selection, organizations do communicate to notify the entered contract with suppliers before signing the contracts. These results are in harmony with the fact that prior to the award of the tender, organizations conduct due diligence and present the report in writing to confirm and verify the qualification of the tenderer who submitted the lowest evaluated responsive tender to be awarded the contract. These findings are in harmony with section 83 of Public Procurement and Asset Disposal act (2015) which states that before the award of contract the organization should conduct due diligence which may include obtaining confidential references from persons with whom the tenderer has had prior engagement. Also, Subsection 2, 3, 4 and 5 of section 135 state that; an accounting officer of a procuring entity shall enter into a written contract with the person submitting the successful tender based on the tender documents and any clarifications that emanate from the procurement proceedings; the written contract shall be entered into within the period specified in the notification but not before fourteen days have elapsed following the giving of that notification provided that a contract shall be signed within the tender validity period; no contract is formed between the person submitting the successful tender and the accounting officer of a procuring entity until the written contract is signed by the parties; an accounting officer of a procuring entity shall not enter into a contract with any person or firm unless an award has been made and where a contract has been signed without the authority of the accounting officer, such contract shall be invalid, (PPDA, 2015).

**Table 11: Coefficients<sup>a</sup> of overall model**

Model	Unstandardized Coefficients		Std. Error	Standardized Coefficients Beta	t	Sig.
	B					
(Constant)	-15.005	1.276			-11.763	.000
Post evaluation engagement practice	.193	.030	.225		6.493	.000

The estimated multiple regression model to estimate asset disposal

$$Y = -15.005 + 0.193X_1$$

Where:

Y = Dependent variable (Asset Disposal).

$\beta_0$  = Constant or intercept which is the value of dependent variable when all the independent variables are zero.

$\beta_1$  = Regression coefficient to be estimated

$X_1$  = Post evaluation engagement practices

## Conclusion

Based on the study findings, it was noted that prior to the award of the tender, organizations conduct due diligence and present the report in writing to confirm and verify the qualification of the tenderer who submitted the lowest evaluated responsive tender to be awarded the contract. However, the study observed that proper communication is not done to notify formally the bidder who has won the contract. Also, some respondents noted some organizations do not deliver the disposed asset immediately. In addition, the study noted that upon completion of all the procurement or disposal proceedings organization prepare contract and signing of the contract.

The study established that there is a positive correlation ( $r=0.657$ ) between post evaluation engagement practice and asset disposal in energy sector state corporations in Kenya. Also, the linear regression model showed  $R^2=0.185$  which means that 18.5% change of asset disposal in energy sector state corporations in Kenya can be explained by a unit change of post evaluation engagement practice. The regression coefficient for post evaluation engagement practice was positive and significant ( $\beta = 0.436$ ) with a  $t$ -value= $5.854$  ( $p$ -value $<0.001$ ) implying that for every 1 unit increase in post evaluation engagement practice, asset disposal in energy sector state corporations in Kenya is predicted to increase by 0.436 units.

## Recommendations

The positive impact post evaluation engagement has on asset disposal in energy sector state corporations calls for a robust and enhanced communication to the successful bidders and immediate contract signing to complete the exercise in good time and revenues realized for utilization.

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