

INFLUENCE OF TECHNICAL READINESS ON THE IMPLEMENTATION OF SPECIAL GROUPS' PROCUREMENT OPPORTUNITIES IN PUBLIC SECTOR IN KENYA

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Abstract: *Public procurement has become an issue of public consideration and banter, and has been the concentration to changes, rebuilding, rules and regulations. Most nations both in created and least created nations have set up acquirement changes including laws and guidelines. The purpose of the study was to find out the factors influencing the implementation of public procurement opportunities for special groups in the national government ministries in Kenya. The study was guided by an investigation to technical readiness to the implementation of public procurement opportunities for special groups in public sector Kenya.*

Findings: *The study established that special groups rarely take up procurement opportunities because they cannot meet mandatory requirements for registration. The study also established that the special groups firms demonstrate conversance with the public tendering processes and also that public procurement training enhances special groups' participation in public procurement.*

Keywords: *public procurement opportunities, public sector, special groups' procurement opportunities*

Introduction and Background

In Kenya, the public procurement process is subject to prevailing Laws and Regulations as enacted by Parliament and signed into Law by the President of the republic of Kenya. Currently, Public Procurement and Asset Disposal Act 2016, (GOK 2016) and Public Procurement and Asset Disposal Regulations 2020, (GOK, 2020) guide procurement at county and national governments.

Special groups unemployment remains a major challenge in Kenya and indeed most developing countries, (Maisiba & Gongera, 2013). The government of Kenya has actively sought to increase inclusion into mainstream economic activities through policies and affirmative actions. In 2013, the Government of Kenya instituted acquisition guidelines, which started the Access to Government Procurement Opportunities (AGPO) program, under the Kenya Ministry of National Treasury and Planning, Directorate of Public Procurement. Ladies and other underestimated bunches were permitted to secure 30% of public products and enterprises in accordance with Article 2 of the Public Procurement Disposal Regulation (PPDR) of 2013 and Article 27 of the Constitution of Kenya, 2010, on uniformity and independence from segregation GOK, (2010).

The Access to Government Procurement Opportunity Program is an affirmative action aimed at empowering special groups enterprises by giving them more opportunities to do business with Government (Gatere & Shale, 2014). It was introduced by government to facilitate the special groups' enterprises to participate in government procurement (Republic of Kenya, 2013).

The Ministry of National Treasury and Planning, given a roundabout in compliant with an official mandate to all state organs and other public substances to assign 30% of all administration tenders to the uncommon groups. Following this order, the public acquisition and removals (Preferences and Reservations) Regulations were corrected by means of a lawful notification no. 114 of 2013, in accordance with article 227 of the Constitution of Kenya 2010, which require state organs or some other public element to be reasonable in contracting for obtainment of public products and enterprises (The National Treasury circular no. 14/2013). The Public procurement legal framework is governed by the constitution of Kenya 2010, the Acts of parliament and regulations, leaflets and standard procurement manuals. The authentic framework deals with all the securing and expulsion of items, works and organizations in Kenya. Public acquisition is a broad and tedious cycle that begins with recognizing verification of necessities and the arranging of securing plans. The cycle closes with the transport of product, works and also benefits. This is followed by the portion cycle which is depicted by delays.

Nduta, Ayuma and Yego (2015) did a study on the factors affecting youth participation in public procurement. The free factor was opportunity care, account availability, authoritative necessities and backing acknowledgment while youth venture was the penniless variable. The researcher used unmistakable and inferential estimations. A general population of 345 youth asserted endeavors in Mombasa County were used with a model size of 135 components. The assessment used characterized and systematic sporadic investigating and snowballing data variety procedures. The examination induced that Pearson's association between the youthful premium with care and records was .600 and .510 separately. Patronage observation and administrative necessities had a negative relationship of - .445 and - .260 individually with the needy variable. Various straight relapses was utilized to dissect the relations between the factors at a 0.05 importance level. This investigation anyway neglected to decide factor influencing consistence with AGPO guidelines for exceptional gatherings in public services.

Ngeno, Namusonge and Nteere (2014) explored the effect of discriminatory public procurement practices on organizational performance in public sector. The study evaluated the effect of reservation practices on the performance of State Corporations in Kenya. The discoveries of the examination demonstrated that a blend of reservations and conservation rehearses prompted high varieties in State Corporations execution. Public obtainment openings reservations and inclinations emphatically affected the exhibition of State Corporations in Kenya.

Gatere and Shale (2014) considered moves influencing the usage of admittance to the public authority acquirement open doors for uncommon gatherings in Kenya. The analysts saw that nonattendance of employable and venturesome capacities, are the indispensable injury to specialists to public possibilities. Additionally, getting ready in acquisition will raise the capacities of the securing staff. The assessment disclosures showed that recuperating records for review plans was moderate, repetitive and regardless, for the archives made available, a couple of records identifying with fulfillment of the acquisition cycle were insufficient. The assessment induced that the right permission to information to the special social affairs on AGPO is critical in making sure about government contracts.

The preference guidelines offer bearing to government substances on the most capable strategy to advance and survey the offers introduced by the extraordinary social events. Public substances will in like manner be expected to submit quarterly reports to the Public Procurement Oversight Authority (PPOA) for consistence audits. To check out the new preferred and spared public acquisition plot, one of a kind get-togethers are expected to enlist their endeavors with the relevant government body. The public substances will similarly be

expected to confirm sensitive distinctions and purchase organizes and go into concurrences with appropriate financing establishments with an undertaking that the contracted endeavor will be paid through the record opened with the specialist (PPAD, GOK 2016).

Thai and Grimm(2000) clarified that, the same number of nations have moved to a local and worldwide economy, public acquisition specialists face another test that is, the methods by which to adjust to their organization's acquisition rules and social and monetary securing destinations without mishandling regional and also overall financial agreements. For example, how to adjust to public monetary procedures (in continuing local firms), without overseeing new firms as given in commonplace financial agreements and furthermore the World Trade Organization (WTO) game plans isn't straightforward, which requires a wary examination of financial arrangements to take great conditions of remarkable courses of action. Appropriately, the specific planning of the bidders is a huge brand name in open acquisition. Particular arrangement consolidate such points of view as money related limit, getting ready in open procurement systems, conversance with obtainment laws and experience which generally decides a provider's ability to satisfy acquirement commitments (Perry, 2011). Before, obtaining was considered dominantly as an operational development rather than as a critical limit in the business masterminding measure. Public purchasers zeroed in on consistence with rules and techniques set down in standards, rules or EU Directives to search for an impetus for money results from acquisition while seeing essential standards of devotion and ethics (Lonergan, 2001). Staffs that are not sufficiently prepared in acquirement will prompt genuine outcomes including penetrate of the set of accepted rules. Polished methodology in open acquirement relates not exclusively to the degree of instruction and capabilities of the labor force yet in addition to the expert methodology in the lead of business action (Saastamoinen, Reijonen, & Tammi, 2017). What's more, the scientists additionally settled that there are around 500,000 expert purchasing people in the United States and only 10% of these have been people from a specialist body and the rest are not even careful that there are good and legitimate standards related with acquisition. Njeru (2015) recognizes that absence of serious level of polished skill in open obtainment prompts debasement which eventually obstructs consistence.

According to Ndumbi and Okello (2015) , preparing is the way toward obtaining information and competency by the group who partake in the public offering measure for proficient and powerful help conveyance. Through preparing members gain new arrangements of qualities and mentalities. The energy about their inalienable yet undiscovered potential and strengthen their self-assurance and feeling of independence instead of reliance. For any task to be actualized effectively individuals included must be trained. The preparing offered must be of value to guarantee powerful execution of offering process. If this is deficient with regards to then the offering cycle will be unfavorably influenced

(Blount & Hill, 2015). According to the Public Procurement and Disposal Act 2005 section (7) procurement will be set up with acquisition experts whose capabilities have been perceived by the power. The authority will encourage the foundation of an assessment body for acquirement experts and will guarantee uphold for their expert affiliation (Wanjiru & Wanyoike, 2018).

Statement of the Problem

Public procurement takes up to 10–15% of gross domestic product (GDP) in developed countries and over 30% of GDP in developing countries. This adds up to trillions of dollars of government spending annually (International Trade Centre (ITC), 2014). Transparency international (2013) notes that, in Kenya special groups makes up to over 85% of the entire population yet they contribute to less than 10% of public procurement involvement thus this hampers economic growth and achievement of vision 2030. Special groups

have indicated that amongst the challenges that hinder them in accessing public procurement opportunities include; lack of access to credit, capacity building, inadequate skills, poor information and inhibitive legal regulatory framework (Kariuki & Mwangi, 2013; Nduta et al., 2015; Nkonge, 2013).

Public procurement practitioners have always faced many challenges in many countries both developed and developing. According to Wangai(2012), the bidding process in the Kenyan public procurement is not fair and transparent which poses a great challenge to the special groups ability to participate in public procurement activities. Although the Kenya government has put in place legal frameworks for competitive and transparent public procurement, implementation of these frameworks has not been done fully in public sector to due to inadequate access to information, inadequate access to finances, minimal technical readiness and improper compliance enforcement (Muraguri, 2013; Mwangi, 2017; Wanjiru & Wanyoike, 2018).

Muraguri (2013)notes that the implementation of the special groups preference and reservations policy in public procurement on state owned enterprises in Nairobi had not been fully implemented. Gatere and Shale (2014) in their study on the challenges affecting the implementation of access to government procurement opportunities for special interest groups in Kenya concluded that the legal framework has a duty to facilitate the implementation of access to government procurement opportunities for Special Interest groups in Kenya. All the studies reviewed lacked conclusive review of the factors influencing the implementation of public procurement opportunities for special groups in the public sector in Kenya. Majority of the studies focus on reservations and preference policies in county governments and state corporations with focus on special groups. This forms the research gap that this study seeks to fill.

Objective of the Study

The general objective of the study was to determine the factors influencing the implementation of special groups' procurement opportunities in public sector in Kenya with a specific objective to investigate the influence of technical readiness on the implementation of special groups' procurement opportunities in public sector in Kenya.

Research Methodology

The research employed cross-sectional survey design that used both quantitative and qualitative methods. Cross sectional survey denotes a technique involving analyzing data obtained from the study population, or else an illustrative section, within a constrained time frame(Zikmund, Carr, & Griffin, 2013). The choice of this design is suitable for this study since it makes use of a questionnaire as a data collection tool. It was also suitable for this research, as it thoroughly test the relationship analysis among variables.

Research Finding and Discussion

Reliability Analysis

In order to test for scale reliability or content validity, the study used Cronbach's Alpha which is a widely used measure of reliability and is defined as the proportion of a scale's total variance that is attributable to a common source, presumably the true score of a latent variable underlying the items (DeVellis, 2003). The Cronbach Alpha assesses the association between each item in each construct with every other item in the same construct and it runs from 0 to 1, and the higher the score the higher the internal consistency of the set of items. DeVellis, recommends the following alpha levels when assessing the internal consistency of a scale: below .60 is unacceptable; between .60 and .65 is undesirable; between 0.65 and 0.70 is minimally acceptable; between 0.70 and 0.80 is respectable; between 0.80 and 0.90 is very good; and anything much above 0.90 may indicate

the scale needs fewer items. Low reliability has severe implications on the entire instrument as the instrument may not correlate with a gold standard instrument or may also have implications for the instrument's convergent and concurrent validity. An average alpha of over 0.9 for this study, as Table 1 below shows, indicates a respectable scale which is highly internally consistent.

Table 1: Reliability Analysis

	Cronbach's Alpha	No. of Items
Technical readiness	0.96	2
Implementation of public procurement opportunities	0.91	2

The respondents were asked to indicate their level of agreement with various aspects of the technical readiness. From the findings shown in Table 2 below; 60% (Mean=3.72, SD=0.943) of the respondents agreed that special groups rarely take up procurement opportunities because they cannot meet mandatory requirements for registration. Also, 70% (Mean=3.92, SD=0.803) of the respondents agreed that the special groups firms demonstrate conversance with the public tendering processes. Furthermore, 85% (Mean=4.03, SD= 0.760) of the respondents observed that public procurement training enhances special groups participation in public procurement. On the other hand, 70% (Mean =3.92, SD=0.8.3) of the respondents agreed that most special groups firms do not demonstrate difficulty in understanding public tendering procedures. Moreover, 55% (Mean=3.53, SD=1.036) of the respondents agreed that special groups miss out on procurement opportunities due to lack of registration certification. However, 55% (Mean=2.52, SD=1.11) of the respondents disagreed that special groups lack the prerequisite prequalification requirements to be shortlisted. The rest of the results have been summarized in the table below.

Table 2: Technical readiness

Statements	SD	D	N	A	SD	Mean	Std Dev
Special groups rarely take up procurement opportunities because they cannot meet mandatory requirements for registration.	10%	15%	15%	20%	40%	3.72	.943
The special groups firms demonstrate conversance with the public tendering processes	6%	4%	20%	40%	30%	3.92	.803
Public procurement training enhances special groups participation in public procurement	5%	5%	5%	40%	45%	4.03	.760
Most special groups firms do not demonstrate difficulty in understanding public tendering procedures	5%	15%	10%	50%	20%	3.92	.803
Special groups miss out on procurement opportunities for lack of registration certification	5%	20%	20%	30%	25%	3.53	1.036
Special groups lack the prerequisite prequalification requirements to be shortlisted	40%	15%	10%	32%	3%	2.52	1.11

Implementation of special groups Public Procurement Opportunities

The respondents were asked to indicate their level of agreement with various aspects of the implementation of Public Procurement Opportunities. From the findings shown in Table 3 next page; 60% (Mean=2.50, SD=1.20) of the respondents disagreed with the fact that number of special groups that have been registered has tremendously improved. However, 80% (Mean=3.95, SD=0.818) of the respondents opined that the special groups have up scaled their capabilities to bid competitively for tenders. In addition, 57% (Mean=3.60, SD=1.141) of the respondents indicated that most of the special groups firms deliver on their contracts in good time. Finally, 60% (Mean=2.50, SD=1.20) of the respondents disagreed with the fact that special groups are able to absorb all the tenders in the quotas allotted to them within the 30% provisions for disadvantaged firms. The rest of the results have been summarized in the table 3 next page.

Table 3: Aspects of Implementation of Public Procurement Opportunities

Statements	SD	D	N	A	SD	Mean	Std Dev
The number of special groups that have been registered has tremendously improved.	40%	20%	15%	20%	5%	2.50	1.20
The special groups have up scaled their capabilities to bid competitively for tenders	3%	2%	15%	20%	60%	3.95	.818
Most of the special groups firms deliver on their contracts in good time.	13%	25%	5%	27%	30%	3.60	1.141
The special groups are well able to absorb all the tenders in the quotas allotted to them within the 30% provisions for disadvantaged firms	30%	30%	7%	25%	8%	2.50	1.20

Correlation Analysis

Cooper & Schindler (2011) asserts that, correlation coefficients enable a researcher to quantify the strength of the linear relationship between two or more variables. Correlation is a measure of the degree of relatedness of variables (Bryman, 2012). Ken (2010) states that, Pearson product-moment correlation coefficient r , ranges from -1 to $+1$ with the sign at the front indicates whether there is a positive or a negative correlation. For this study Pearson Product Moment Correlation was used and the results obtained are summarized In Table 4.

The correlation on the factors influencing the implementation of special groups’ procurement opportunities in public sector in Kenya was investigated using Pearson product-moment correlation coefficient. There was positive correlation between the dependent variable and all the four independent variables ($r > 0.4$, $p < .001$). Rubin and Babbie (2010) opined that, the size of the absolute value provides information on the strength of the relationship where; ($r = .1$ to $.29$ Small; $r = .30$ to $.49$ Medium; $r = .5$ to 1.0 Large). The strength of the relationship between the independent variables and the dependent variable (implementation of public procurement opportunities) was averagely large where; technical readiness ($r = 0.634$, large).

Table 3: Correlations Analysis

		Technical Readiness	Public Procurement Opportunities
Technical Readiness	Pearson Correlation	1	.634**
	Sig. (2-tailed)		.000
	N	63	63
Public Procurement Opportunities	Pearson Correlation	.634**	1
	Sig. (2-tailed)	.000	
	N	63	63

The regression output on significance of the independent variables is presented in Table 5.

Table 5: Significance of Independent Variables

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.308	.114		2.707	.000
	technical readiness	.926	.034	.962	27.409	.003

a. Dependent Variable: implementation of Public procurement opportunities

The optimal regression model was:

$$Y=0.308+0.926X_3+\epsilon$$

The regression equation above has established that taking all factors into account (technical readiness) constant at zero, implementation of Public procurement opportunities will be 0.308. Furthermore, unit increase in the technical readiness would lead to a 0.926 increase in the scores of implementation of public procurement opportunities.

Summary of the findings

The study established that special groups rarely take up procurement opportunities because they cannot meet mandatory requirements for registration. The study also established that the special groups firms demonstrate conversance with the public tendering processes and also that public procurement training enhances special groups’ participation in public procurement. Furthermore; the study established that most special groups firms do not demonstrate difficulty in understanding public tendering procedures and also that special groups miss out on procurement opportunities for lack of registration certification. Finally, the study established that special groups lack the prerequisite prequalification requirements to be shortlisted.

The study established that technical readiness had significant and a positive effect on the implementation of public procurement opportunities for special groups in public sector Kenya. This implies that the technical readiness of the bidders is an important characteristic in public procurement. Technical readiness include such aspects as financial capability, training in public procurement procedures, conversance with procurement laws and experience which largely determines a supplier’s capability to fulfill procurement obligations.

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