

PUBLIC PARTICIPATION IN CONTRACT ADMINISTRATION FOR SUSTAINABLE PROCUREMENT MANAGEMENT IN DEVOLVED SYSTEM OF GOVERNMENTS IN KENYA

^{1*} **Eunice Gitiri Njagi**
eunijack@yahoo.com

^{2**} **Gregory S. Namusonge**
gnamusonge@jkuat.ac.ke

^{3***} **Noor Ismail Shale**
nshale@jkuat.ac.ke

^{1,2,3} Jomo Kenyatta University of Agriculture and Technology, Kenya

Abstract: *The Public Participation framework, 2013 in Kenya under the 47 county governments envisages stakeholders to participate in community-based infrastructure projects through involvement in procurement planning, monitoring and evaluating project performance, risk management, contract management and policy making process. Its envisages a sustainable approach to project management. Purchasing and supply management professionals can only deliver sustainable procurement through ongoing engagement and collaboration with internal stakeholders, budget holders and key suppliers to reach the most effective solution. Contract management is a multi-stage process that goes on through the entire duration of the contract and ensures that the parties meet their contractual obligations in order to deliver the specific objectives provided in the contract. The study adopted a descriptive survey design to assess the influence of contract administration on sustainable procurement management. A Sample of 348 respondents identified through Slovin's formulae was drawn from a target of 1146 in Makueni, Machakos and Kitui Counties through stratified sampling method. Data was collected using a semi structured questionnaire. Collected data was analysed through descriptive and inferential statistics. The results indicate that the community is involved in contract administration to a great extent through; supplier identification, project negotiations, actual supplying of local available materials and ascertaining compliance to contractual terms and conditions by the contractors. The study concludes that there is significant positive relationship between contract administration and Sustainable procurement management. The study there recommends that both national and county governments in Kenya need to promote public participation through contract administration to achieve high sustainable procurement management levels in community-based infrastructure projects.*

Keywords: *Public participation, Public procurement, open government, green procurement*

1.0 INTRODUCTION

Procurement management involves Management of procurement process well in order to add value to all business practices and save both time and money. Quinot, (2013) governments have long used public procurement (PP) as a tool to promote socio-economic objectives which are sometimes referred to as 'horizontal' or 'collateral' because they are ancillary to the primary purpose of PP—acquiring goods and services for the government. Public procurement is central to many public policies. Sustainable procurement management is also known as “environmentally-conscious purchasing practice that reduces sources of waste and promotes recycling and reclamation of purchased material without adversely affecting performance requirement of such materials (Min and Galle, 2001). SPM has gotten a significant consideration in the business and the scholarly world, mainly due to the need for hindering further environmental change so that

our fast-depleting natural resources are preserved. Procurement and supply chain management is the focal point which leads to the route of sustainability. In this research world, there is a growth of studies regarding sustainability which focuses on procurement and supply chain management, such as ethical sourcing (Preuss, 2009; Roberts, 2003), corporate social responsibility in the supply chain (Faisal, 2010; Maloni and Brown, 2006), socially responsible buying (Maignan et al., 2002; Park and Stoel, 2005) and green supply chains (Kainuma and Tawara, 2006; Mollenkopf et al., 2010). Sustainable procurement helps to secure the acquisition of goods and services in a way that ensures that there is the least impact on society and the environment throughout the full life cycle of the product (Meehan and Bryde, 2011).

The Kenya constitution, 2010 envisaged improved democracy and governance through public participation which will result in delivering better services to the common Mwananchi at reduced cost by assuring them value for their public resource in the project that are important and required at any given time. According to Centre for Governance and Development and National tax payers association (2009) one of the characteristics of good procurement is participatory which implies that the suppliers, citizens and other stakeholders effectively contribute to the operations of public procurement and in the preparation of the essential legislation as and when necessary. The County Government Policy framework for public participation is based on the principles of inclusivity, accountability, diversity, building community participation, transparency, flexibility, accessibility, trust, commitment, respect and integration (GoK, 2012). CIPS (2009) explains that purchasing and supply management professionals can only deliver sustainable procurement through ongoing engagement and collaboration with internal stakeholders, budget holders and key suppliers to reach the most effective solution.

The Public Participation framework states clearly that public participation is not meant to convey decisions already made but to generate and confirm decisions. Borrowing from the County Government act, 2012. Under the Makueni County Government Public Participation framework, 2013, stakeholders participate in community-based infrastructure projects through involvement in procurement planning, monitoring and evaluating project performance, risk management and policy making process. Users are the start and end points of the procurement process. They are directly involved in a number of activities and decisions such as adequate definition of the user's requirements/needs relating to materials to be purchased for example; estimated requirements/quantities, specifications, identifying minimum and desirable elements and ensuring that there is adequate in consultation with users and their representative bodies (Scottish Police Authority, 2008). Procurement teams also have to be able to listen to the stakeholders whom they are engaging with, and then be ready to sell back ideas as a result of those conversations (Dressler, 2015). Some of the benefits of involving users in the procurement process are: safety of stock, lesser prices, reduced risk, improved quality, greater added worth, increased efficacy and invention.

A county shall deliver services while observing the principles of equity, efficiency, accessibility, nondiscrimination, transparency, and accountability, sharing of data and information, and subsidiarity (Gabriel, 2012). Public procurement as a devolved government's function can have a key role in: purchasing the goods, works and services which customers or residents demand; shaping relationships with the local business community; creating efficiency savings; supporting economic growth and development; and addressing wider societal challenges (Michael, 2013). Well established public participation structures ensure timely and accurate sharing of information across the county for the enhancement of transparency and accountability (Oduor, Wanjiru & Kisamwa, 2015). According to Esley (2007) new regulatory requirements, globalization, increases in contract volumes and complexity have resulted in an increasing recognition of the importance and benefits of effective contract management.

2.0 LITERATURE REVIEW

Contract management is a multi-stage process that goes on through the entire duration of the contract and ensures that the parties meet their contractual obligations in order to deliver the specific objectives provided in the contract. Basingstoke and Deane (2013) define Contract management as the proactive monitoring, review and management of contractual terms secured through the procurement process to ensure that what is agreed is actually delivered by suppliers or partners. They further assert that effective contract management ensures strategic priorities agreed at the outset are delivered in a timely and cost-effective manner, issues of non-compliance or variation are picked up early and either dealt with or appropriately escalated for resolution costs and risk are managed appropriately and reviews are undertaken and lessons learnt fed back into the commissioning and procurement process to ensure continuous improvement.

According to Steffen, Tampe, Georgi and Tina (2010) cost reduction, standardization and centralization, transparency and minimizing of risks are the key objectives of contract management. In short, Contract management includes ensuring compliance with the terms and conditions agreed and documenting and agreeing any changes or amendments that may arise during contract implementation or execution (Basingstoke and Dean, 2013). They noted that the vision of procurement and contract management is to ensure the delivery of best value, priority outcomes for the community through providing a strategic procurement and contract management function that is an exemplar of recognized good practice. He further asserts that a Successful contract management is most effective if upstream or pre-award activities are properly carried out. Motza and Conder (2012) noted that by improving drafting and management practices for vendor contracts, state and local governments can ensure their continuing ability to provide all necessary and appropriate services to the public.

A contract must be well managed otherwise weak administration or management of procurement contracts is an invitation to corrupt practices (Centre for Governance and Development and national Taxpayers association, 2009). This implies need for better management of procurement contract otherwise a well-established project may fail during the implementation process. The University of Greenwich Procurement Policy (2009) mission statement states that working collaboratively with clients, providers and public bodies provides cost-effective procurement practices that achieve value for money expended on supplies, services and works and support the University's strategic objectives including corporate social responsibilities, primarily equalities and sustainability. It is clear that sustainability cannot be achieved by only one individual but requires consultation and involvement of those with interest in the project.

Esley (2017) in the CIPS contract management guide noted that it is vital that a contract management plan is drawn up in advance of contract award and should set out how the obligations of all the parties should be carried out effectively and efficiently. This is an acknowledgement of key role played by different participants in contract management that assures the success of the process. Tamara (2015) in the study sustainability in Government Contract acknowledges that awarding government contracts is often non-competitive and notes that Various collaborative efforts encompassing many elements ultimately influence decisions and outcome of contractual agreements. Meaning that contract administration and management calls for multi-stakeholder involvement to achieve the intended objectives. Concepts used to explain sustainable supply chain management will apply to explore sustainability factors facilitating successful performance in government contracting (Giunipero, Hooker, & Denslow, 2012; Tate, Ellram, & Dooley, 2012) which include Initiatives such as avoiding cost overruns through contract management through contractor performance (Tamara, 2015). Hence the researchers proposed the hypothesis that;

H₀: Contract administration does not significantly influence sustainable procurement management in devolved system of governments in Kenya

3.0 METHODOLOGY

The study adopted descriptive survey design. Views on procurement sustainability can be relative and varied from individual to individual, organization to organization, sector to sector and country to country (Walker and Phillips, 2009) hence data was collected from those directly involved in community based infrastructure projects public participation within the three counties of Makueni, Machakos and Kitui. This comprised of Project coordinators, procurement officers and Project management committee members. The study target population was 1146 comprising of individuals who extensively participate in community-based infrastructure development projects as indicated in table 1.

Table 1: Target Population

Category	Makueni	Machakos	Kitui	Total
Public Participation Coordinators	7	9	9	25
Project Coordinators	30	40	40	110
Procurement officers	37	58	36	131
Project committee members	300	280	300	880
Total	374	387	385	1146

The researchers used stratified sampling method to obtain the study sample (Ali, 2014).

The sample size was determined using Slovin’s formulae

$$n = N / (1 + Ne^2)$$

where; n = Number of samples,

$$N = \text{Total population; in this case } N = 1146$$

$$e = \text{Error tolerance, 95\% confidence level therefore } e = 0.05$$

$$\text{Hence; Sample size} = 1146 / (1 + 1146 * 0.05^2)$$

$$= 348 \text{ Respondents}$$

The sample from each category was determined using proportionate percentage of each category to the total population sample i.e percentage of category total dividend by total population multiplied by sample size. For example, to obtain the number of Public Participation Coordinators in the sample of 348 respondents: 2.2% of 348= 7.65 approximately 8 PPCs. To obtain the sample of 348 respondents, 8 PPCs, 33 PCs, 40 POs and 267 projects committee members (either of chairman, Secretary or treasurer) were selected as indicated in table 2.

Table 2: Sample Size

Category	Population	% of Population	Sample
Public Participation Coordinators	25	2.2	8
Project Coordinators	110	9.6	33
Procurement officers	131	11.4	40
Project committee members	880	76.8	267
Total	1146	100	348

The sample per county from each category was determined using proportionate percentage of each category per county to the total population sample of the three counties i.e percentage of category total per county dividend by total category sample for the three counties multiplied by category sample size. For example, to obtain the number of Public Participation Coordinators in Makueni county the sample of 8: $(7/25 \times 100\% \text{ of } 8\%) = 2.24$ approximately 2 PPCs, Machakos County $(9/25 \times 100\% \text{ of } 8\%) = 2.88$ approximately 3 PPCs and $(9/25 \times 100\% \text{ of } 8\%) = 2.88$ approximately 3 PPCs Kitui County respectively. To obtain the sample of 348 respondents, 8 PPCs (2PPCs, 3PPCs and 3PPCs), 33PCs (9 PCs, 12PCs and 12Pcs), 40 POs (11 POs, 18 POs and 11 POs) and 267 PCMs (91, 85, and 91 PCMs) from Makueni, Machakos and Kitui Counties respectively as indicated in table 3.

Table 3: Sample Size Per County

Category	Makueni	Machakos	Kitui	Total Sample
Public Participation Coordinators	2	3	3	8
Project Coordinators	9	12	12	33
Procurement officers	11	18	11	40
Project committee members	91	85	91	267
Total	113	118	117	348

Project proposal approval was sought from Jomo Kenyatta University of Agriculture and Technology Board of Post Graduate Studies after which a research permit was sought from National Council for Science and Technology Innovations (NACOSTI).

The research tool was administered to 10% (35 respondents) of the sample obtained from Embu county government and who in turn did not take part in the final study to ensure that it was relevant and effective. Sekaran (2008) reinforces that pilot test is necessary for testing the reliability of instruments and the validity of a study. Questionnaires were dropped and picked after two weeks. More time of one week was added to respondents who had not completed the exercise. Collected data was analyzed through descriptive and inferential statistics, the F-test was used to test the study hypothesis, while the research results were represented in form of tables. The study used the research model to represent presumed relationship between contract administration and sustainable procurement management.

$Y = \beta_0 + \beta X + \epsilon$; Where β_0 is the constant or intercept, β is the regression coefficient or change induced in Y (Sustainable Procurement Management) by X (contract administration) while ϵ was the error term.

4.0 FINDINGS AND DISCUSSION

The respondents were asked to rate the statements concerning contract administration on a five point likert type scale ranging from 1 representing " Not at all " to 5 designating " very large extent ". Table 4 indicates that the item mean scale for contract administration ranged from 3.19 to 3.50. This implied that the respondents believed that involvement of community in Project contract administration exhibited moderate levels of extent. The standard deviations of the contract administration items ranged from 1.118 to 1.279. The low standard deviations implied that the contract administration item responses dispersed narrowly about the mean, implying low variations in the responses given by the respondents. The overall mean composite score for the contract administration scale was (Mean=3.33, SD=1.23, n=290) which denoted a moderate level of extent of involvement of community in Project contract administration by the study respondents.

The results indicate that the community is involved in contract administration to a great extent through; supplier identification, project negotiations, actual supplying of local available materials and ascertaining compliance to contractual terms and conditions by the contractors. These findings are in line with Ondieki (2011) that without the support of stakeholders, an organization ceases to exist. In this retrospect, many organizations, both public and private, source for ways and means to involve stakeholders in their operations. Further support from Bateman (2015) who states that user involvement in purchasing may create and maintain relationships with suppliers hence enhancing partnership between the organization and its stakeholders. Furthermore, Care (2015) states that user involvement in service selection may lead to greater satisfaction among the users, and improved quality of work, enhanced user friendliness and health responsiveness especially for people with disabilities who have had greater control in purchasing decisions when they are involved in purchasing decisions.

A participatory approach not only improves the success of the project but also makes projects more efficient and effective (McGee, 2002). Community participation in project implementation influences sustainability in several ways: it helps keep the project relevant and adapted to a changing situation; it makes use of a wider range of resources, skills and expertise and acknowledges and supports local capacities and expertise. The community is able to contribute labour and/or materials as well as financial resources for the project (ALNAP, 2009). Involvement of people in project implementation and the utilization of local resources generate a sense of ownership over the development interventions by the local people, (Kumar, 2002).

Table 4: Descriptive Statistics for Contract Administration

Contract Administration	Mean	Std. Deviation
The community is involved in supplier identification of community infrastructural projects by county government	3.50	1.28
community is involved in the negotiation with supplier for community development projects	3.19	1.26
Community involvement in supply of locally available materials during community infrastructural development projects	3.39	1.12
Community involvement in ensuring compliance with terms and condition of contracts in community infrastructural development projects	3.24	1.27
Composite score	3.33	1.23

Inferential Analysis on Contract Administration and Sustainable Procurement Management

The study objective was to assess the influence of contract administration on sustainable procurement management. Normality of contract variable was tested using Shapiro-Wilk test, which compares the scores in the population of study to a normally distributed set of scores. The results were not significant at $p < .05$, and so the data was assumed to be normally distributed. The research hypothesis formulated was;

H₀: Contract administration does not significantly influence sustainable procurement management

Linear regression was used to test the relationship between contract administration and sustainable procurement management. Path coefficients were used to determine the direction and strength while T=statistics provided information on the significance to the relationships. The R² for the regression model between contract administration and sustainable procurement management was 0.33 meaning that contract administration explained 33 % variation in the sustainable procurement management while the remaining variation is explained by the error term as shown on table 5. The implementation of open data in the public

procurement system helps to create spaces for citizens and the private sector to participate in the system's decision and, promotes competition, equal treatment of private actors in the system, public access to the system's data for accountability and oversight purposes, and encourages the use of data to manage knowledge and establish mechanisms for continuous improvement (Zuleta, 2019). Each contract problem that occurs can threaten the success of the project by impacting any or all of the 5 “R”s in an adverse manner, such as, delivery of incorrect product, incorrect quantity, an increase in project costs, a delay in delivery, poor quality or the ultimate unsuccessful result, contract termination (Davison & Wright, 2004). Effective management of procurement contracts was essential for achievement of value for money (Mchopa et al., 2014).

Table 5: Model Summary for Contract Administration on Sustainable Procurement Management

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.574 ^a	.330	.328	.33814

a. Predictors: (Constant), contract administration

The regression model was a good fit as indicated by a significant Fstatistic (F=141.741, p<0.05) as indicated in table 6.

Table 6: ANOVA for Contract Administration and Sustainable Procurement Management

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.207	1	16.207	141.741	.000 ^b
	Residual	32.930	288	.114		
	Total	49.137	289			

a. Dependent Variable: Sustainable procurement management

b. Predictors: (Constant), Contract administration

The regression model obtained from the output was

$$\text{Sustainable procurement management} = 1.388 + 0.353 \text{ contract administration} + \text{error}$$

From table 7, the standardized regression coefficient for contract administration was 0.574. This indicates that a unit increase in the contract administration would result in 57.4% increase in the Sustainable procurement management. The t-statistic for the regression coefficient for contract administration was significant at 5% level of significance (T=11.906, p<0.05) implying rejection of null hypothesis. On the basis of these statistics, the study concludes that there is significant positive relationship between contract administration and Sustainable procurement management.

Table 7: Regression Coefficients for Contract Administration on Sustainable Procurement Management

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.388	.139		9.976	.000
	Contract Management	.353	.030	.574	11.906	.000

a. Dependent Variable: Sustainable procurement management

5.0 CONCLUSION AND RECOMMENDATION

The study objective was to assess the influence of contract administration on sustainable procurement management in devolved systems of Government in Kenya. Various statistical tests were carried out to determine the relationship that existed between the two variables. The study found that contract administration had a positive significant relationship with sustainable procurement management. Linear regression analysis was used to test the hypothesis which indicated that there is a positive significant relationship between contract administration and sustainable procurement management in devolved system of government. This indicated that the null research hypothesis was rejected, and it was therefore concluded that there is a positive significant relationship between contract administration and sustainable procurement management in devolved system of government in Kenya. From the forgoing, it can be concluded that an improvement in contract administration in community based projects leads to a positive improvement in sustainable procurement management in devolved systems of Government in Kenya. The study there recommends that national and county governments in Kenya need to promote public participation through contract administration to achieve high sustainable procurement management levels in community-based infrastructure projects. A study on other public participation framework dictates; procurement planning, risk management, monitoring and evaluation in the same counties would give a holistic view of the influence of public participation in devolved systems of government in Kenya.

6.0 REFERENCES

- Bateman, A. (2015). Service user Involvement & Purchasing. Retrieved December 20, 2017, from Ability to Achieve: <http://www.jmcass.co.uk/purchase-our-service.html>*
- Care, I. (2011). Service User Involvement; Alcazar Court. London: Institute of Public Care.*
- Dressler, M. (2015). Customer involvement management; Empirical observations of explorative studies on enrichment activities of German wine. University Ludwigshafe, Germany.*
- Finlly. (2014). Sustainable public procurement in practice: case study Evidence from Ireland*
- GoK (2006). The Public Procurement Regulations. Government Printer, Nairobi.*