

ASSESSMENT OF DETERMINANTS OF PROCUREMENT PERFORMANCE AT KENYA PIPELINE COMPANY, KENYA

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ABSTRACT

Developing countries in one way or another have reformed their public procurement regulations. The reforms have not been limited to regulations only, included public procurement process, methods, procurement organizational structure, and the workforce. It has been attracting great attention from practitioners, academicians and researchers due to poor performance resulting from non-adherence to proper processes and procedures. Public procurement as a function of government includes decisions about the services that will be delivered to local authorities and the communities they serve (Hughes, 2005). It is utilized not only to secure goods and services required by public sector organizations for their missions and to support services provided to taxpayers, but it is also used to implement national policies and to achieve social and other objectives (Thai, 2005). Many national and international instruments have been concerned with building an effective procurement system. In this context, particular procurement issues, such as the implementation of secondary policies, the review mechanism to address complaints, provisions on electronic procurement or rules governing privately financed projects, have received an in-depth examination (De Castro, 2006). Mahmood (2010) noted that public procurement represents 18.42% of the world gross domestic product. In developing countries, public procurement is increasingly recognized as essential in service delivery (Basheka & Bisangabasaija, 2010), and it accounts for a high proportion of total expenditure. For example, public procurement accounts for 60% in Kenya (Akech, 2005), 58% in Angola, 40% in Malawi and 70% of Uganda's public spending Basheka and Bisangabasaija (2010). This is very high when compared with a global average of 12-20 % (Frøystad et al., 2010). Due to the colossal amount of money involved in government procurement and the fact that such money comes from the public, there is need for accountability and transparency (Hui et al., 2011). The success of any given organization will depend on the strategic management of all its key sections. Procurement enhances efficiency and competitiveness among other benefits, but to realize these benefits, it is imperative to look at the strategic factors that affect the performance of the procurement function. It is against this background that the study sought to fill the existing knowledge gap.

KEY WORDS: Procurement Planning, Staff Competence, Stakeholder Influence