

INFLUENCE OF COMPETITIVE TENDERING PRACTICES ON PROCUREMENT PERFORMANCE OF SUGAR COMPANIES IN KENYA

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ABSTRACT

Competitive tendering practices have been deployed in sugar manufacturing companies in Kenya in an effort to achieve procurement performances in sugar companies in Kenya. The main objective of the study was to determine influence of competitive tendering practices on procurement performance of sugar companies in Kenya. This study adopted descriptive survey research design. The target population was 8 sugar companies. The study population was 135 officers in procurement and supply chain units in the companies. The study considered a census survey where all 8 sugar companies were considered in the study. Data collection was done using structured questionnaire. Descriptive analysis was done in the form of frequencies, percentages, means and standard deviation. Further inferential data analysis techniques correlation and regression statistics was used to determine relationship between competitive tendering practices and procurement performance in sugar manufacturing companies in Kenya. The study established that supplier evaluation had a significant, negative relationship with procurement performance of sugar companies in Kenya. Findings revealed that contract management has a significant and positive influence on cost efficiency, reduction in procurement operation cost, free flowing order fulfilment and increase quality supplies in sugar companies in Kenya. Also, Regression revealed that tender record management had a significant positive influence on procurement performance in sugar companies in Kenya. Further, results established that compliance with tendering regulations has insignificant influence on procurement performance in sugar companies in Kenya. The study concluded that supplier evaluation has significant, negative relationship with procurement performance of sugar companies in Kenya. The study concluded that contract management and record management has a significant and positive influence on procurement performance of sugar companies in Kenya. The study also concluded that compliance with tendering regulations has an insignificant influence on procurement performance of Sugar Companies in Kenya.

Key Words: Competitive tendering, Suppliers evaluation, Contract management, Tendering Records management and Procurement performance

1. INTRODUCTION

The procurement performance within the context of manufacturing companies is concerned with effectiveness, efficiency, quality of service, lead times, and delivery dependability, cost effectiveness and delivery performance. Globally, competitive tendering is deployed in public sector in countries such as USA, and England constituting approximately 76% of the parastatals (Amdany & Kwasira, 2016). Competitive tendering is compulsory in the UK public sector, for example, for procurements by public bodies over a certain value threshold, under the EU public procurement directive enacted in the UK law by the public contracts regulations 2006, (CIPS, 2012). There has been increasing demand by the public and other government services consumers' world over for timeliness in materials supply, goods and services availing by the public procurement entities to enhance efficiency in operations, effectiveness, transparency and accountability by various user departments; all these are captured in the World Bank Procurement guidelines (World Bank, 2016). In Ghana, Kotoka (2012) observed that all the public procurement must be undertaken on an open competitive basis except in few allowed circumstances. The Ghanaian law makes provision for the standards that must be met for open competitive tender practices. The Ghanaian procurement law introduces contract value thresholds that can be used for national open competitive tender for goods, works and technical services. In Nigeria, construction industry deploys competitive tendering practices in an effort to achieve value for money and achieve efficiency in procurement process.

In Kenya, national government depends heavily on supply of goods, works and services through competitive tendering (Lusuli & Rotich, 2014). The Public Procurement and Asset Disposal Act 2015 is the law that guides Kenyan Public procurement entities choice of Procurement methods and Procedures and it requires Public procurement entities to use competitive tendering method (PPADA, 2015). Efficiency of tendering procedures is ensured through proper laws, rules and regulation which provide the foundation for tendering procedures and regulation. Sugar industry enforces Public Procurement and Asset Disposal Act 2015. The sugar industry in Kenya deploys competitive tendering practices contribute to provision of a public service through a competitively awarded contract, where a public agency seeks competitive bids to provide a particular public service (Mungai, 2014). Sugar companies in Kenya embrace competitive procurement tendering practices include tender evaluation, contract management and compliance with procurement legal framework (Wainoi & Shalle, 2016). The extents to which competitive tendering practices contribute to procurement performance in sugar industry in Kenya remain elusive motivating the undertaking of the current study.

1.1 Statement of the problem

Procurement performance is the backbone of an organization success since it contributes to competitive purchase and acquisition of quality goods that puts the organization products or services in the competitive edge in the market (Karplus, 2017). The competitive tendering practices are tools that contribute to quality delivery of services, efficiency in operations, enhance inventory operation and improve efficiency in procurement process (Lynch, 2018). Competitive tendering practices of any organization are costly and have influence on procurement performance. Sugar companies in public sector reported sugarcane delivery to factories in year 2018 stood at 299,000 tonnes against 344,000 tonnes in year 2019 (KNBS, 2019). However, in 2019, sugar companies experience cost inefficiency for the last ten years resulting into low supply of low sugar in the country (Kiprotich, Mutai & Okello, 2016). This has resulted into importation of approximately 300,000 metric tonnes of sugar from the region

at subsidized rates. The level of cost efficiency has constant decline in sugar companies over the years. The low quality sugar production has been attributed to poor supplier's performance, increase level of corruption, low delivery performance and inefficiency procurement process. Competitive tendering practices implementation in sugar companies as procuring entities is a requirement by the Public Procurement and Asset Disposal Act 2015 (Ayoti, 2013). However, the extent to which competitive tendering practices impacted on procurement performance in sugar companies in Kenya has not been researched and as such, the impact of competitive tendering practices on procurement performance in the sugar sector remain uncertain. This motivates carrying out of empirical study to determine influence of competitive tendering practices on procurement performance in sugar companies in Kenya.

1.2 Objectives of the Study

- i. To determine the influence of supplier's evaluation on procurement performance in sugar companies in Kenya.
- ii. To establish the influence of contract management on procurement performance in sugar companies in Kenya.
- iii. To assess the influence of record management on procurement performance in sugar companies in Kenya.
- iv. To establish the influence of compliance with tender procedures on procurement performance in sugar companies in Kenya.

2. Literature Review

2.1 Theoretical Review

Agency theory was developed by Jensen and Meckling (1976). In this theory, shareholders who are the owners of the company, hire the agents to perform work. Principals delegate the running of business to the managers, who are the shareholders' agents ((Xingxing & Kaynak, 2012). The theory deals with situations in which the principal is in a position to induce the agent, to perform some task in the principal's interest, but not necessarily the agent's (Hardy, (2014). Accounting officers and procurement managers in state corporations play the agent role for the government and the organization stakeholders. Compliance with procurement rules and regulations may be as result of principal-agent problem (Langevoort, 2002). The PPADA, (2015) bestows the responsibility of compliance with PP legal framework on the Accounting Officers of the PEs. Theory is useful in explaining the relationship between compliance with tender regulations and procurement performance. The theory becomes significant to the study as it highlights the need for robust contract requirements and specifications as well as the objectively process of monitoring contractor s' performance. When contract requirements, Contract Management team roles and responsibilities and KPIs are well defined, the principal and agents will find it easy to meet needs of each other in an efficient way resulting into timely execution of the contract in predetermined performance level.

The record management theory was developed by Vakkari and Cronin (1992) and has attempted to construct a model for the current status of RM. The competitive tendering records including; tender documents, copy of tender advertisement, tender evaluation report, tender minutes, and contract award forms must be kept for at least six years after the resulting contract was entered into or, if no contract resulted after the procurement proceedings were terminated, so as to enable procurement audit and prevention of procurement fraud. Efficient management records are basis of good governance (Griffin, 2003). Good management of competitive tendering records which promote good governance, effective and efficient administration, transparency,

accountability and delivery of quality services in the manufacturing companies. In Kenya, public procurement is under guidance of the PPADA, 2015. The Act spells out the regulations and guidelines issued by the PPRA. Institutional theory asserts that if organizations complied with the Public procurement regulations then they would be assured of competition in bids, transparent processes, and professional approach in procurement process (Acquaye, 2011). In respect to the current study, this dimension includes the extent to which there is support for internal controls, competency of senior levels and support governance in organization and the degree to which organizational procurement processes and structures support is supported compliance with procurement regulations.

2.2 Conceptual Framework

The study was guided by Conceptual frameworks, linking competitive tendering practices to procurement performance

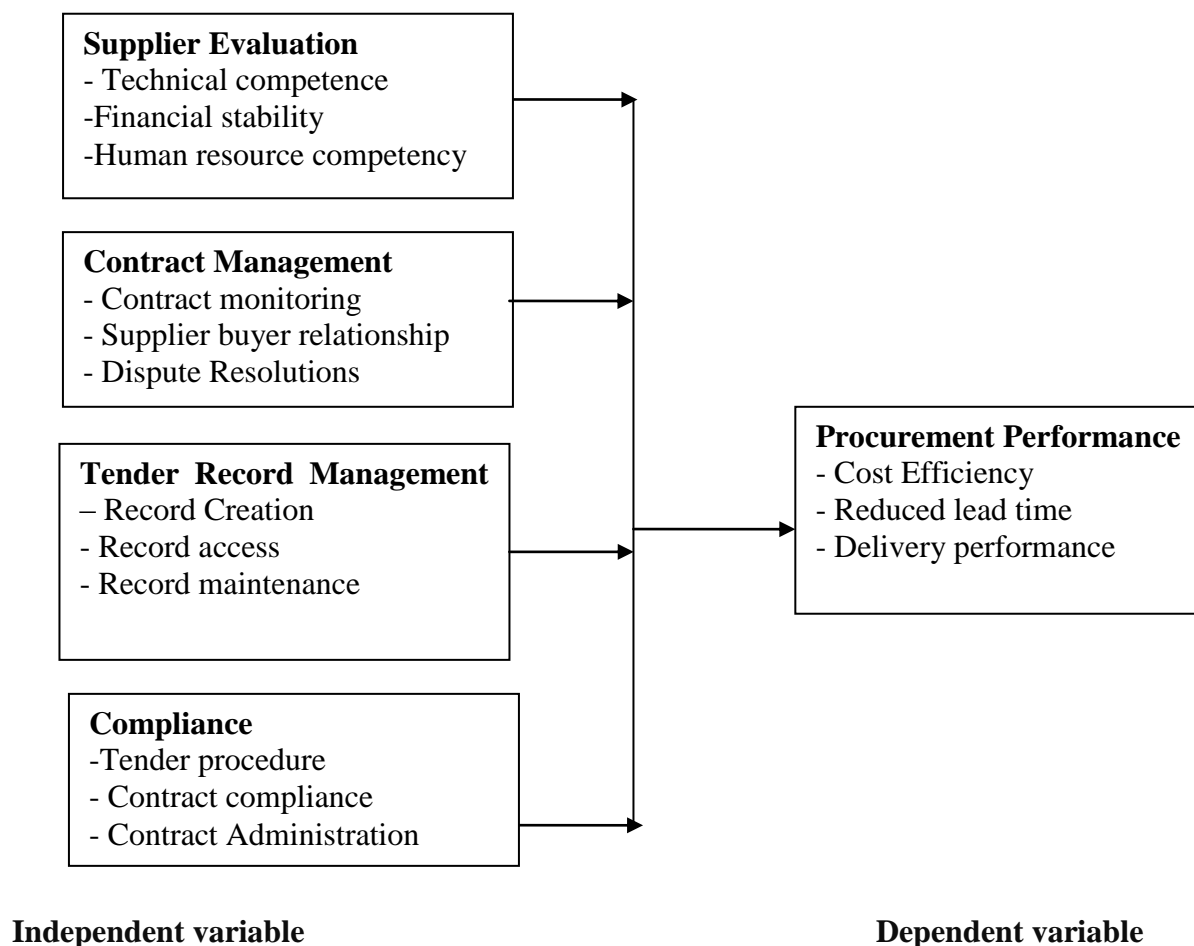


Figure 1. 1: Conceptual Framework

2.3. Competitive Tendering Practices

Tender evaluation criteria including financial stability of the supplier, technical competency of the supplier, human resource competency of its staff and quality capability of the supplier (Monczka, et al., 2002). Supplier is evaluated on the basis of financial stability which is determined by checking supplier's profitability and liquidity to see whether he has the ability to

fulfil the contract (Lyson & Farrington 2012). On the other hand you need to assess whether he has the technical capability by establishing whether the supplier has the right equipment, experience, technology and innovative edge to meet Procurement entity requirements. Ogonjo (2011) states that the evaluation process consists of the preliminary examination and evaluation of the offers received, and considered to be valid, to assess their responsiveness to specifications and requirements as defined in the solicitation document, analyse their cost and benefit, and determine their price and value.

Contract management activities can be broadly grouped into the following broad areas which include; Managing contract performance, Supplier relationship management, Dispute resolution, Contract Monitoring, Contract review and Contract renewal or termination (CIPS, 2012). Managing contract performance involves the risk management where users and suppliers collaborate to identify potential risks or barriers to performance so that they can be managed and mitigated (Davison & Wright 2004). Record management in competitive procurement process is based on the premise that records require managing to create guidelines in terms of which public servants must do their work to provide services to the satisfaction of their customers (Venter, 2004). Effective records management enables manufacturing companies to document procurement operations and improve delivery of services and to promote accountability and transparency. In essence, sound records management is the foundation any manufacturing companies need to acquire quality supply of goods and services (Ngobeni, 2011). Effective records management enables government to document procurement operations and improve delivery of services and to promote accountability and transparency.

Compliance to competitive tendering procedures is as it results to value money. Crucial in this respect is sound enforcement mechanisms that ensure that procurement entities comply with the regulation and those who fail to comply are duly punished. According to De Boer & Telgen, (1998) as quoted by Gelderman et al., (2006), one of the factors causes of non-compliance with tendering or procurement regulations are the level of familiarity with the procurement regulations. De Boer and Telgen, (2018) assert that during the early days of the inception of public procurement regulations in The Netherlands, many municipalities could not comply to the regulations because they were not familiar with them. Gelderman *et al.*, (2016) confirmed this position in a survey on compliance with EU procurement directives. It is worth noting that the ambiguity in the public procurement procedures may provide a chance for dubious acts including opaque tendering and discriminate supplier selection which may progress into poor compliance levels.

2.4 Empirical Review

A research undertaken by Wainoi and Share (2016), aimed at establishing the role of supplier evaluation on procurement performance in State Corporation in Kenya with a specific focus of Geothermal Development Company. The study was guided by two variables; supplier's finances and quality management. A structured questionnaire was used to collect information on the role of supplier evaluation on procurement performance in GDC. The research was carried out through a descriptive research survey design. In this study the researcher used stratified random sampling where 30% of the target population was representative of the entire population to be studied. The data from the collected questionnaires was coded and entered into the computer using statistical packages for social sciences (SPSS version 21) for analysis. The study findings revealed that suppliers' finances and quality management had a significant positive role on procurement performance in Geothermal Development Company. Based on the findings, the study concluded that suppliers' financial capability and quality management

played a role on procurement performance in State Corporations in Kenya. Kipkemai (2018) did a study on the determinants of effective procurement contract administration in public secondary schools in Mogotio sub-county, Kenya. The study adopted a descriptive research design using quantitative approaches. The target population of the study was all principals and their deputies of public secondary schools in Mogotio Sub-County who total (52) individuals. A positive and strong correlation ($R= 0.790$) was found to exist between the variables. The study found that staff competency and budgetary allocation have a statistically significant influence on the effective procurement contract administration in public secondary schools in Mogotio Sub-County, Kenya. Additionally, the study found that technology adoption has no statistically significant influence on the effective procurement contract administration in public secondary schools in Mogotio Sub-County, Kenya.

Namukasa (2017) assessed the influence procurement records management on the performance of the procurement function under the National Agricultural Advisory Services (NAADS). The study used both qualitative and quantitative approaches to research. The study adopted a simple correlation and case study design. An accessible population of 101 respondents was identified, with 93 forming a sample. An 88% response rate was realized. Findings indicated that procurement records management had a significant effect on procurement performance. Whereby, there was a positive and statistically significant relationship between records creation and procurement performance; there was a positive relationship between records maintenance, preservation and procurement performance; and, finally, records access and use also had a positive significant influence on procurement performance. Jaafar, Ramli and Aziz (2014) assessed compliance with Government Procurement Policy in manufacturing companies in Malaysia. This research focuses on voluntariness of compliance behaviour and factors that affect compliance with Government Procurement Policy among procurement practitioners in Malaysia. A factor relating to procurement ethics is also introduced to increase the scope and going beyond the proposed framework from prior studies. Survey questionnaires were administered to 104 government organizations, and 177 responses were received from procurement officers. Based on multiple regression analysis, the results indicate that familiarity with the policies; enforcement, professionalism and ethics have a positive impact on compliance. However, perceived inefficiency of the policies was found insignificantly negative impact on procurement compliance.

3. RESEARCH METHODOLOGY

Descriptive research survey design was adopted for the study. It also helps in collection of quantitative and qualitative data that allows adoption of multifaceted approach to collection of data and data processing and analysis such as descriptive analysis and inferential analysis. According to Covella, McCarthy, Kaifi, and Cocora (2017), the design help in collection of quantitative and qualitative data to answer to research question of the problem being studied or testing research hypotheses on whether there exist a significant relationship between competitive tendering practice and procurement performance in sugar companies in Kenya. The target population was 8 sugar companies. Pilot study was carried out to determine the validity and reliability of the instrument. Cronbach's Alpha for all the variables were above 0.7 reflects a high reliability of the questionnaire for competitive tendering practices. The data was analyzed using descriptive and inferential statistic. Descriptive analysis was in the form of frequencies, percentages, means and standard deviation. Further inferential data analysis

techniques correlation and regression statistics was used to draw inferences on the relationship between competitive tendering practices and performance in sugar manufacturing companies in Kenya. The correlation factor ranged from $-1 \leq 0 \leq 1$. The acceptance confidence level was 95% or significance level of 0.05. The F-ratios that F- calculated and F-Critical which was generated in the ANOVA to measure goodness of fit of the model at a significant level of 0.05. The regression model used was: $Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + e$. Where; Y= Procurement Performance, x_1 = Supplier Evaluation, x_2 = Contract management, x_3 = Record management, x_4 = Compliance with tender Procedures, β_0 is a constant, β_i ; $i = 1, 2, 3, 4$, is the regression beta coefficients and e is the error term.

4. RESEARCH FINDINGS AND DISCUSSION

This section provides research results and discussion on influence of competitive tendering practices on procurement performance of sugar companies in Kenya. The findings are presented following the specific objective of the study. Out of 135 questionnaires administered, 109 (81%) responded in time for data analysis. This rate was considered appropriate to derive the inferences regarding the objectives of the research.

4.1 Supplier Evaluation

Table 1.1: Extent Supplier Evaluation Influence Procurement Performance in Sugar Companies

Statement related to supplier evaluation	Mean	Std Dev
The financial capability of the suppliers	3.7128	.89454
The management competency of suppliers	3.8899	0.65743
Adequacy of physical equipments	4.0092	.55269
Technical competency of suppliers	4.0550	1.09574
Allowances of an appropriate timeframe for responses elicits higher quality responses	4.0917	.97697
Setting low prices without compromising on quality of suppliers	4.2844	.75880
Maintenance of costs of tendering process	4.2844	.79456
Selecting a contracting partner	4.1651	1.05860
Evaluating responses to the solicitation	4.1927	.64517

The results in Table 1.1 respondents agreed (M=3.7128, SD=.89454) that sugar companies assess the financial capability of suppliers, agreed (M=3.8899, SD=0.65743) that management of sugar companies evaluate the management competency of suppliers and agreed (M=4.0092, SD=0.55269) that adequacy of physical equipments is evaluated in an effort to achieve procurement performance in sugar companies. The results also indicated that respondents agreed (M=4.0550, SD=1.09574) that technical competency of suppliers was assessed, agreed (M=4.0917, SD=.97697) that allowances of an appropriate timeframe for responses elicits higher quality responses and that respondents agreed (M=4.2844, SD=0.75880) there was setting low prices without compromising on quality of suppliers and agreed that maintenance of costs of tendering process was evaluated as indicated by a mean of 4.2844 and standard deviation of 0.79456. Further, respondents agreed that sugar companies were selecting a contracting partners based on the set rules as indicated by a mean of 4.1651 with standard deviation of 1.05860 and that management in sugar companies were evaluating responses to the solicitation as agreed by respondents with a mean of 4.1927 and standard deviation of

0.64517. The results demonstrated that supplier's evaluation is practices by sugar companies to a great extent. The finding was supported by Kipkemboi (2015) who found that supplier evaluation criteria contributed to procurement performance in Parastatals in Kenya.

4.2 Contract management

The study sought the extent to which respondents agreed on the extent to which contract management issues influences on procurement performance.

Table 1.2: Extent Contract Management Influence Procurement Performance

Statement related to contract Management	Mean	Std Dev
Awarding the bidder with the lowest bidders	4.0459	1.10876
Awarding the bidder with the highest score	2.3028	.75160
Management of cost of ownership	4.0826	1.04641
Adhere to technical capability as indicated to ensure good continuous supply	4.0040	.50918
Monitoring contract performance on technical, schedule and cost	4.2661	.72829
Modifying the contract to accommodate changing needs or circumstances through negotiation	4.2202	.65769
Resolving disputes	4.1560	.81847
Conducting a final accounting	4.5046	.63280
Management of risks in tendering process	4.1009	.59231

The results in Table 1.2 indicate the results on extent respondents agreed on contract management practice in sugar companies. From the results most respondent agreed that awarding of the bidders with the lowest bidders was executed as indicated by mean of 4.0459 with a standard deviation of 1.10876, disagreed that awarding the bidder with the highest score as indicated by a mean of 2.3028 with a standard deviation 0.75160 and agreed that management of cost of ownership was executed as indicated by a mean of 4.0826 with a standard deviation of 1.04641. Also, results in Table exhibit respondents agreed that adherence to technical capability as indicated to ensure good continuous supply was practiced in tendering process in sugar companies as indicated by a mean of 4.0040 with standard deviation 0.50918, agreed that there was monitoring contract performance on technical, schedule and cost as revealed by a mean of 4.2661 and standard deviation of 0.72829 and that modifying the contracts to accommodate changing needs or circumstances through negotiation was done as indicated by a mean of 4.2202 with standard deviation of .65769 and contract management foster resolving disputes as indicated by a mean of 4.1560 and standard deviation of 0.81847. Further, respondents strongly agreed that there was conducting a final accounting through contract management as indicated by a mean 4.5046 with a standard deviation o .63280 and agreed that management of risks in tendering process was exercised as indicated by a mean of 4.1009 with standard deviation of 4.1009. The results concurred with Kipkemoi (2018) that effective procurement contract administration contributed to improvement in procurement performance in public secondary schools in Mogotio sub-county, Kenya

4.3 Tendering Record Management

Table 1.3: Extent Tendering Record Management Influence Procurement Performance

Statement related to extent tendering record management	Mean	Standard deviation
There is a success adoption of effective record system	4.1284	.68179
Allow improved accessibility of information that improve procurement operation efficiency	4.3670	.77770
Promote compliance that increase quality deliveries from suppliers	4.2661	.67553
There is a success adoption of effective record system	4.1284	.68179
Promote ease information retrieval and sharing increasing procurement efficiency	3.9541	.56741
Enhance learning among the procurement officer leading to fast execution of procurement operations	4.2569	.78650
Promote transparency and increase in procurement efficiency	4.5413	.73952
Increase in quality of procurement record keeping systems	4.2752	.44869

From the findings, majority of the respondents indicated that there is a success adoption of effective record system to a great extent as indicated by a mean of 4.1284 with a standard deviation of 0.68179, Allowance of improved accessibility of information that improve procurement operation efficiency to a great extent as indicated by a mean of 4.3670 with standard deviation of 0.77770 and that there was promotion of compliance that increase quality deliveries from suppliers to a great extent as indicated by mean of 4.2661 and standard deviation of 0.67553 . Also, respondents indicated that there was a success adoption of effective record system to a great extent as exhibited by a mean of 4.1284 with standard deviation of 0.68179, there was promotion of ease information retrieval and sharing increasing procurement efficiency to a great extent as indicated by a mean of 3.9541 with standard deviation of 0.56741, that record management enhance learning among the procurement officer leading to fast execution of procurement operations to a great extent as indicated by a mean of 4.2569 with standard deviation of 0.78650 that through tendering record management sugar companies promoted transparency and increase in procurement efficiency to a very great extent as indicated by a mean of 4.5413 with a standard deviation of 0.73952 and that through tendering record management sugar companies increase in quality of procurement record keeping systems to a great extent as indicated by a mean of 4.2752 and standard deviation of 0.44869. The results were supported by Peggy, Yao and Gameri (2015) who found that records management contributed to organizational Performance.

4.4 Compliance With Tendering Regulations

Table 1.4: Extent compliance with tendering regulations in Sugar companies

Statement related to compliance with tendering regulations	Mean	Standard deviation
Total contracts awarded is determined	4.0000	.74536
Contracts regulation are adhered to	4.4495	.49975
Contracts awarded focus on quality supplies	4.0734	.86823
Promotion of relationship management among the suppliers	4.3028	.71368
Contract administration promote execution of contracts	4.2018	.63508
Effective adhere to record management and documentation promote governance	4.3303	.60942
Enhance suppliers meet their qualification for government tenders	4.3503	.57823
Increase in supplier funding	4.0000	.74536
Adherence of responsibility and obligations	4.1376	.72607
Promote coordination between government and suppliers	4.3028	.64556
Foster payment in excess of contract ceilings	4.3303	.78239

From the findings in Table 1.4, majority of the respondents agreed that respondents agreed (M=4.000, SD=0.74536) that total contracts awarded is determined, agreed (M=4.4495, SD=0.49975) that Contracts regulation are adhered to, agreed (M=4.0734, SD=0.86823) that contracts awarded focused on quality supplies and agreed (M=4.3028, SD=0.71368) that there was promotion of relationship management among the suppliers. Also, results indicated exhibited respondent agreed (M=4.2018, SD=0.63508) that contract administration promoted execution of contracts, agreed (4.3303), SD=60942) that effective adherence to record management and documentation promoted governance in procurement in sugar companies, agreed (M=4.3503, SD=0.57823 that enhance suppliers meet their qualification for government tenders , agreed (M=4.0000, SD=.74536) that there was an increase in supplier funding, agreed (M=4.1376, SD=.72607) that there was adherence of responsibility and obligations in tendering process and respondents agreed (M=4.3028, SD=.64556) that promote coordination between government and suppliers and respondents agreed (M=4.3303, SD=0.78239) that due to compliance with tendering regulations, sugar companies foster payment in excess of contract ceilings. This demonstrated that compliance with tendering regulations during competitive tenders influence procurement performance in sugar companies in Kenya.

4.5 Procurement Performance of Sugar Companies

Table 1.5: Procurement Performance

Statement related to Procurement Performance	Mean	Std Dev
The company experience achievement of cost efficiency	4.2202	.47838
Reduction in procurement operation costs	4.4954	.64727
The company achieve free flowing order fulfilment	4.5587	.60142
Lead time in procurement	4.3578	.82241
Timeliness in service delivery	4.5229	.67490
Increase quality supplies in the company		

From the results in Table 1.4 the responder agreed that sugar companies experience achievement of cost efficiency as indicated by a mean of 4.2202 with a standard deviation of 0.47838. Most respondents also agreed that that due to execution of competitive tendering, sugar companies achieve reduction in procurement operation cost as indicated by a mean of 4.4954 and standard deviation of 0.64727. Majority of the respondents also agreed that sugar companies achieved free flowing order fulfilment as indicated by a mean of 4.5587 with SD of 0.60142. Further results indicated that respondents agreed as indicated by a mean of 4.3578 with standard deviation of 0.82241 while majority of the respondent strongly agreed (4.5229, SD=0. .67490) that sugar companies reported increase quality supplies due to execution of competitive tendering practices.

4.6 Correlation Analysis

Table 1.6: Correlation between SRM and Performance of Supermarkets

Study Variables		Procurement Performance
Supplier Evaluation		-.792**
	Correlation Factor (r)	
	Sig (2-tailed)	.000
Contract management	Correlation Factor (r)	.667**
	Sig (2-tailed)	.000
Record management	Correlation Factor (r)	.716**
	Sig (2-tailed)	.000
Compliance with tender Procedures	Correlation Factor (r)	.487**
	Sig (2-tailed)	.000

** - Correlation is significant at the 0.01 (2 tailed)

* - Correlation is significant at the 0.05 (2 tailed)

The results in Table 1.6 shows that there is a strong, significant and negative correlation between supplier evaluation and procurement performance of sugar companies where $r = -0.792$, $PV = 0.000 < 0.01$). There is a strong, significant and positive correlation between contract management and procurement performance of sugar companies as indicated by correlation factor $r = 0.667$, $PV = 0.000 < 0.05$. The results also indicated that tender record management has a strong, significant and positive correlation with procurement performance of sugar companies as indicated by correlation factor, $r = 0.716$, $PV = 0.000 < 0.05$. The results were supported by Namukasa, (2017) that procurement records management had on the performance of the procurement function under the National Agricultural Advisory Services (NAADS) and that exist a moderately strong, insignificant and positive correlation between compliance with tender procedures and procurement performance of sugar companies as $r = 0.487$, $PV = 0.00 < 0.01$. This implies that compliance with tender procedures and regulations predict insignificant improvement in procurement performance in sugar companies

4.7 Regression Analysis

Table 1.7 : Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.807 ^a	.652	.639	1.74617

a.Independent Variables: (Constant), Supplier Evaluation, Contract management, Record management and Compliance with tender Procedures

The model summary results in Table 1.7 shows R^2 is 0.652, Std Error= 1.74617 indicating that there was a 0.652 significant variation between procurement performance of sugar companies and the competitive tendering practicesat confidence level of 95%.

Table 1.8: ANOVA Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	593.865	4	148.466	48.692	.000 ^b
Residual	317.108	104	3.049		
Total	910.972	108			

b. Dependent Variable: Procurement Performance

These results indicate that the model had an F-ratio of 48.692, $P=0.000<0.05$. This result ascertains the regression model adopted by the study had a significant goodness of fit.

Beta Regression Coefficients

The results on Table 1.9 shows the regression coefficients analysis

Table 1.9: Beta Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	7.709	1.842		4.185	.000
Supplier Evaluation	-.375	.060	-.751	-6.285	.000
Contract management	.404	.097	.727	4.178	.000
Record management	.527	.116	.607	4.559	.000
Compliance with tender Procedures	.220	.062	.184	3.553	.302

The regression results also indicated that predictor supplier evaluation had a significant, negative relationship with procurement performance of sugar companies in Kenya as $\beta_1 = 0. - 0.375$, $PV=0.000$, $t=-6.285$. This clearly indicated that an increase in supplier evaluation led to decrease in procurement performance of sugar companies by 0. 375. The results contradicts Kabutura & Mulyungi (2018) that supplier evaluation impact positively on procurement performance in the government ministries in Rwanda. The regression results indicated that predictor contract management has a significant and positive relationship with procurement performance of sugar companies as $\beta_2=0. 404$, $PV=0.000$, $t=4.178$. This demonstrated that an increase in contract management would result into increase in procurement performance of sugar companies by 0.404. The findings were supported by Mchopa et al., (2014) that

effectiveness of procurement contracts management contributed to achieving value for money in procurement of works. The predictor tender record management had a significant positive influence on procurement performance on sugar companies as $\beta_3 = 0.527$, $P=0.00$ and $t=4.559$. This implied that an increase in tender record management would result into increase in procurement performance of sugar companies by 0.527. The findings were supported by Muemi and Rotich, (2015) that records management influence quality service delivery in the public sector in Kenya; a case of lands department, ministry of lands, housing and urban development. The regression results indicated that predictor supplier compliance with tender procedures had insignificant and positive relation with procurement performance of sugar companies $\beta_4=0.220$, $PV=0.302>0.05$, $t=3.553$. This implied that an increase in compliance with tendering procedures would result into insignificant increase in procurement performance of sugar companies by 0.614. The results were supported by Jaafar, Ramli and Aziz (2014) that extent of compliance with Government Procurement Policy in manufacturing companies contributed to perceived inefficiency of the policies was found insignificantly negative impact on procurement compliance in Malaysia

5.Summary of Findings

The study established that supplier evaluation had a significant, negative relationship with procurement performance of sugar companies in Kenya. An increase in supplier evaluation results into decrease cost efficiency, increase in procurement operation cost, poor flowing order fulfilment and decrease quality supplies in sugar companies in Kenya. This could be due to non responsive to tenders and increasing change of market forces such as competitive, environmental condition, globalization and change in technology. The study established that contract management has a significant and positive relationship with procurement performance of sugar companies demonstrating that an increase in contract management would result into cost efficiency, reduction in procurement operation cost, free flowing order fulfilment and increase quality supplies in sugar companies in Kenya. Also, regression revealed that tender record management had a significant positive influence on cost efficiency, reduction in procurement operation cost, free flowing order fulfilment and increase quality supplies in sugar companies in Kenya. This demonstrated that success adoption of effective record system to a great extent, allowance of improved accessibility of information that improve procurement operation efficiency to a great extent, there was promotion of compliance that increase quality deliveries from suppliers, success adoption of effective record system. Effective tendering record management led to promotion of ease information retrieval and sharing increasing procurement efficiency, promoted transparency and increase in procurement efficiency and increase in quality of procurement record keeping systems to a great extent.

The study established that compliance with tender procedures had insignificant and positive relation with procurement performance of sugar companies. Hence increase in compliance with tendering procedures would result into insignificant increase cost efficiency, achieve reduction in procurement operation cost, free flowing order fulfilment and results into increase quality supplies. This could be due to marketing forces such as competition and change in government regulations. The study revealed that exist a moderately strong, insignificant and positive correlation between compliance with tender procedures and procurement performance of sugar companies hence tender procedures and regulations predict insignificant improvement in procurement performance in sugar companies.

5.1 Conclusions and Recommendations

The study concluded that supplier evaluation has significant, negative relationship with procurement performance of sugar companies in Kenya. Effective execution of supplier's evaluation may results into decrease cost efficiency, increase in procurement operation cost, and poor flowing order fulfilment and decrease quality supplies in sugar companies in Kenya. This could be due to non responsive to tenders and increasing change of market forces such as competitive, environmental condition, globalization and change in technology. For effective suppliers evaluation management in companies should consider other factors that could affect the evaluation and selection of suppliers such as market forces so as to achieve cost efficiency, increase in procurement operation cost, and poor flowing order fulfilment and decrease quality supplies in sugar companies in Kenya.

The study concluded that contract management has a significant and positive relationship with procurement performance of sugar companies demonstrating that an increase in contract management would result into cost efficiency, reduction in procurement operation cost, free flowing order fulfilment and increase quality supplies in sugar companies in Kenya. The concluded was informed by that fact that awarding of the bidders with the lowest bidders, failure to award the bidder with the highest score, management of cost of ownership contributed to increase in procurement performance in sugar companies in Kenya. The study recommends that measures should be instituted to ensure contract management is well executed. The finding support contract management as a predictor of procurement performance.

The study concluded that revealed tender record management had a significant positive influence on cost efficiency, reduction in procurement operation cost, free flowing order fulfilment and increase quality supplies in sugar companies in Kenya. This was supported by the facts that that success adoption of effective record system, allowance of improved accessibility of information that improve procurement operation efficiency, promotion of compliance that increase quality deliveries from suppliers, success adoption of effective record system. The study concluded that effective tendering record management led to promotion of ease information retrieval and sharing increasing procurement efficiency, enhance learning among the procurement officer leading to fast execution of procurement operations, promoted transparency and increase in procurement efficiency and increase in quality of procurement record keeping systems to a great extent.

The study concluded that compliance with tendering regulations has a moderately strong, insignificant and positive correlation between compliance with tender procedures and procurement performance of sugar company's hence tender procedures and regulations predict insignificant improvement in procurement performance in sugar companies. Higher level of tendering procedures may results into poor contract administration promoted execution of contracts, ineffective adherence to record management and documentation promoted governance in procurement and hinder achievement of significant procurement performance goals. The study recommend compliance with tendering regulations should be monitored to ensure compliance requirements is not biased and bureaucratic to ensure ease execution of contracts is not done in opaque manner to achieve improvement in procurement performance in sugar companies

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