

Relationship between Procurement Planning and Procurement Performance in NG-CDF Funded Project in Kisii County, Kenya

Nyabwari David Matwa^{1*}¹Associate Faculty in School of Business and Economics of Kisii University; P.O. Box 408 – 40200 Kisii, Kenya

*Corresponding author: Nyabwari David Matwa

| Received: 25.08.2023 | Accepted: 06.10.2023 | Published: 05.11.2023 |

Abstract: Procurement processes determine how procurement performance fairs which in turn manifest in projects of any type. NG-CDF projects are procured with empirical evidence of many of them delayed, stalled or aborted altogether. Procurement has been of the blame board for the cost and time overruns and poor quality of projects for public projects. This necessitates an inquiry establish the influence of procurement planning, on procurement performance of CDF funded construction projects in education sector in Kisii County, Kenya. The study adopted positivism research paradigm and descriptive research design. The study target population was 2333 NG-CDF funded projects in Kisii county constituencies. The study has a sample size of 428 respondents from a target population of 2333 involved in the projects funded in Kisii County constituencies by NG-CDF in both primary and secondary schools between 2013 and 2020. The study found out that procurement planning accounts for 17.6% of the total variation in procurement performance. the regression model generated was $PP = 1.932 + 0.484 (PPL)$ Where PP is procurement performance and PPL is procurement planning which was significant at 0.000. The study concluded that procurement planning bore a positive and significant influence on procurement performance.

Keywords: Procurement planning, procurement plan, procurement performance, procurement process, NG-CDF.

INTRODUCTION

Governments, in their ambition to deliver development to its populace, have embarked on procuring new infrastructural projects (Rwelamila & Purushottam, 2012). According to EAIF (2019) cost effective infrastructure is the engine that powers modern societies. The infrastructural projects of economic value are: schools and other educational institutions, roads and rail networks, markets, hospitals, residential buildings, commercial factories, electricity, and telecommunication (KPMG, 2012). As a growing economy, Kenya needs major projects now more than ever before, with a rise in population, expired infrastructure, urbanization rise and growth of emerging markets (Katamei, Omwono & Wanza, 2015). The demand for decentralized development gave birth to the concept of National Government Constituency Development Fund (NG-CDF) in 2003 in Kenya. The kitty intended to finance contextualized projects at the level of constituency (NG-CDF Board, 2016). For these projects to be successful the procurement system the procurement process and particularly its planning phase must be well performing (Muwolya, 2019). According to Dvir *et al.*, (2013) procurement planning and procurement performance in projects have a significant relationship. That the real work is made possible by procurement, procurement

planning, therefore, becomes the single most important element to project planning and an impulsion to procurement performance (Kariungi, 2014). According to Asekaya, (2014) procurement planning is the choosing of a contracting process and all it entails. Andrea, (2009) further defines procurement planning as a process of determining how the procurement demands are to be fulfilled. Planning is an on-going process that starts with the decision to invest and runs till project delivery (Idoro, 2012). According to Dvir *et al.*, (2013) procurement planning and procurement performance in projects have a significant relationship.

Statement of the Problem

Procurement planning sets in motion the entire procurement process and largely determines when the project begins and ends. Mapulanga (2015) argues that for procurement to be successful, it has to be grounded on sound planning. Effectively and in detail planning makes procurement compliant with the project needs. The import of procurement planning manifests in quality, delivery, cost and flexibility, which influence project procurement performance (Industry Manual, 2008; Basheka, Oluca & Mugurusi 2015). With this in mind, still the state of affairs on procurement performance in construction projects is evidently bad (Smith, 2011).

Quick Response Code



Journal homepage:

<https://saspublishers.com/>

Copyright © 2023 The Author(s): This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY-NC 4.0) which permits unrestricted use, distribution, and reproduction in any medium for non-commercial use provided the original author and source are credited.

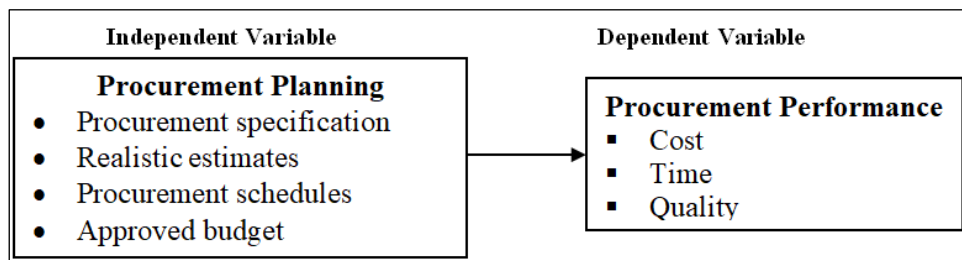
Citation: Nyabwari David Matwa (2023). Relationship between Procurement Planning and Procurement Performance in NG-CDF Funded Project in Kisii County, Kenya. *Cross Current Int Peer Reviewed J Human Soc Sci*, 9(10), 220-223.

Malala, Ndolo and Njagi (2014) notes that over 60% of CDF projects are delayed, stalled or aborted altogether and only 12% of the projects are within schedule. In the foregoing, the study sought to establish the relationship between procurement planning and procurement performance in NG-CDF funded project in Kisii county constituencies.

Objective of the Study

To determine the relationship between procurement planning and procurement performance of CDF funded construction projects in education sector in Kisii County, Kenya.

Conceptual Framework



METHODOLOGY

The study adopted a positivist research philosophy and a descriptive survey research design. The study locale was Kisii County with target population of 2333 persons. The sample size was 418 respondents derived through stratified and simple random sampling.

Data was collected using questionnaires and analyzed both descriptively and inferentially.

RESULTS AND ANALYSIS

Response rate

Response	Frequency	Response Rate
Returned questionnaires	371	86.68%
Complete questionnaires	355	82.84%
Not Returned	57	13.32%
Total	428	100.00

According to Haslam and Prasad, (2019) assert that a 65% and above response rate is a more acceptable

percentage. Based on the assertions of the scholars this response rate meets the best criteria response by scholars.

Descriptive Statistics for procurement planning			
	N	Mean	Std. Deviation
Procurement needs for the project were accurately identified	355	3.4901	1.29178
The procurement needs for the project were adequately specified	355	3.3859	1.13512
Procurement need specification enabled the procurement staff on the exact needs for the works, supplies of the project	355	3.7606	1.07442
Quality standard for project procurement was specified at planning stage	355	3.6986	1.03437
There is a budget for procurement of the project works and supplies	355	3.0085	1.28987
The budget for project procurement was sufficient	355	3.8423	.94356
The budget was available for procurement when needed	355	3.6451	1.05937
There is detailed and realistic schedule for the delivery of project works and supplies	355	3.6563	1.04972
A procurement plan outlined what was to procured, when, from who at how much	355	3.5690	1.06705
A procurement plan was followed for all procurement needs of the project	355	3.5549	1.07577
The procurement plan was reviewed and adjusted as need may be	355	3.6141	1.07110
The procurement plan was reviewed and adjusted as need may be	355	3.5718	1.13610
Poor procurement planning led to budget deficits, time overruns and poor quality projects	355	3.9042	.95186
Valid N (listwise) Average mean	355	3.592415	1.090776

The overall average mean of 3.592 implies that most of the respondents were moderately agreeing with most of the statements regarding procurement planning and procurement performance of NG-CDF-funded educational projects within Kisii County. Moreover, the

standard deviation of 1.102361 implies that several respondents had diverse opinions regarding the statement.

Inferential Analysis

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.419 ^a	.176	.173	.53774	.176	75.300	1	353	.000
a. Predictors: (Constant), Procurement Planning									
ANOVA ^a									
Model			Sum of Squares	Df	Mean Square	F	Sig.		
1	Regression		21.774	1	21.774	75.300	.000 ^b		
	Residual		102.076	353	.289				
	Total		123.850	354					
a. Dependent Variable: Procurement Performance									
b. Predictors: (Constant), Procurement Planning									
Coefficients ^a									
Model	Unstandardized Coefficients			Standardized Coefficients	t	Sig.			
	B	Std. Error	Beta						
1	(Constant)			1.932	.202	9.554	.000		
	Procurement Planning			.484	.056				
a. Dependent Variable: Procurement Performance									

From the findings, the result revealed that the model was statistically significant at 0.000 significance level. Procurement planning was found to be moderately related to procurement performance, given the coefficient of determination $R^2 = 0.176$ implies that 17.6% of the total variation in procurement performance can be associated with the changes in procurement planning, leaving 83.4 percent unexplained. Analysis of variance shows that the calculated F-value = 75.300 at P-value = $0.000 < 0.05$ while the critical value $F(1, 353) = 3.346$. Since the calculated value $F(75.300)$ is greater than the critical value (3.346), implies that, the hypothesis that

H_{01} : Procurement planning has no statistically significant influence on procurement performance in NG-CDF funded projects in Kisii County, Kenya was rejected. And thus there is a positive and significant relationship between procurement planning and procurement performance in NG-CDF funded projects in Kisii County. The beta value = 0.484 indicates that, holding other factors constant, a unit change in procurement planning improved procurement performance by 0.484. $PP = 1.932 + 0.484(PPL)$ Where PP is procurement performance and PPL is procurement planning.

CONCLUSION

The findings from hypothesis testing revealed that procurement planning had a moderate, positive and significant influence of procurement performance of NG-CDF funded projects in Kisii County, Kenya. The indicators of procurement planning that is Procurement specification, Realistic estimates, Procurement schedules, and Approved budget depicted valid

relationship with the procurement performance. The study concluded that procurement planning bore a positive and significant influence on procurement performance.

REFERENCES

- Rwelamila, P. D., & Purushottam, N. (2012). Project management trilogy challenges in Africa—where to from here? *Project Management Journal*, 43(4), 5–13.
- EAIF. (2019). *The Emerging Africa Infrastructure Fund Limited Financial Statements For the year ended 31 December 2019*. <https://www.eaif.com/wp-content/uploads/2020/05/EAIF-Annual-Financial-Statements-31-Dec-2019.pdf>
- KPMG. (2012). *Social housing initiative review*. Kuala Lumpur, Malaysia. *Journal of Design and Built Environment*, 7, 43-57.
- Katamei J. M., Omwono G. A., & Wanza L. (2015). Challenges of strategy implementation on performance of constituency development fund projects in Kenya: A case of Marakwet West constituency. *International Journal of Business Administration*, 6(3).
- NG-CDF Board. (2016). *National Government Constituencies Development Fund Board*. Retrieved from National Government Constituencies Development Fund Board web site: <http://www.cdf.go.ke/>
- Muwolya, D. A. (2019). The impact of strategic procurement planning on organizational performance, a case study of Kampala international university.

- Dvir, D., Sadeh, A., & Pines, A. (2013). Projects and Project Managers: The Relationship between Project Managers' Personality, Project Types, and Project Success. *Project Management Journal*, 37, 36-48. 10.1177/875697280603700505.
- Kariungi, S. (2014). Determinants of Timely Completion of Projects in Kenya: A Case of Kenya Power and Lighting Company, Thika. *ABC Journal of Advanced Research*, 3, 9. 10.15590/abcjar/2014/v3i2/54973.
- Asakeya G. K. (2014). Impact of Procurement Planning within Ghana Health Services; A Study of Ridge Hospital – ACCRA. A Project Submitted to Kwame Nkrumah University of Science and Technology, Kumasi.
- Idoro, G. (2012b). Influence of Project Plans on the Outcome of construction projects procured by Design-Build (DB) in Nigeria. *Journal of Construction in Developing Countries*, 17(2), 81–103.
- Mapulanga, P. (2015). Public procurement legislation and the acquisition of library materials in academic libraries in Malawi. *Library Review*, 64, 101-117. 10.1108/LR-05-2014-0047.
- Basheka, B., & Oluka, P., & Mugurusi, G. (2015). Citizen-driven approaches for combating public procurement corruption in Uganda's local government systems: An empirical survey. *International Journal of Logistics Systems and Management*, 21, 442. 10.1504/IJLSM.2015.070212.
- Malala, A. J., Ndolo, J., & Njagi, E. (2015). Factors affecting performance of constituency development fund projects in Kenya: Case study of Kikuyu constituency. *International Journal of Supply Chain Management*, 2014-09.