EFFECTS OF THE ELEMENTS OF PUBLIC PROCUREMENT PRACTICES ON PROJECT IMPLEMENTATION: A CASE OF KERICHO DISTRICT

By
KIPKEMOI SAMUEL LANGAT
D53/CE/11728/2008

A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A DEGREE IN MASTER OF BUSINESS ADMINISTRATION KENYATTA UNIVERSITY

APRIL, 2012

Kipkemoi, Samuel
Effects of the elements of public
DECLARATION

I hereby declare that this research project report has not been presented in any other forum for whatever reasons. It is therefore submitted to the Department of Management Science Kenyatta University, in partial fulfilment of requirements for the award of Masters Degree in Business Administration Project Management option.

SIGN: ........................................ DATE: ........................................

Kipkemoi S. Langat  
D53/CE/11728/2008

Declaration by the Supervisor  
This project has been submitted for examination with my approval as the University supervisor.

SIGN: ........................................ DATE: ........................................

MR. Murungi J. 
MBA Supervisor 
Department of Business Administration, 
School of Business, 
Kenyatta University

For and on behalf of Kenyatta University  
SIGN: ........................................ DATE: ........................................

M/s Gladys Kimtai  
Chairperson 
Department of Management Science, 
School of Business,
DEDICATION

This work is dedicated to my wife and children- Hellen, Faith, Immanuel and Joy- for their unreserved support, prayers and inspiration. To my parents, the Sigaks, for their spiritual, wise inspiration, mentorship and academic foundation. To them all let’s continue fanning the education embers.
ABSTRACT

Project Management is a unique discipline of management science concerned with project development and implementation. The government through various agencies is involved in project management some of which are completed in time at the estimated cost while others delay and even some stall completely as a result of delayed funding or procurement challenges. This research study sought to document the effects of project procurement variables on project implementation in the public sector. The specific objectives of the study were aimed at examining how the following procurement variables; cost estimation, procurement procedures, procurement risks, contract logistics and stakeholder participation affect project implementation. This is because the enactment of the Public Procurement and Disposal Act 2005 introduced new sets of procurement practices aimed at creating efficiency but has had diverse effects on project implementation. However public project still stall or suffer both cost and time overruns. The big question is why is this happening when we have the legal framework? The researcher adopted a descriptive research study methodology thus questionnaires, were be used to collect data. These tools were administered to a sample of 48 respondents from various departments in the 11 public sector-working groups in Kericho District. Secondary data for this study were obtained through literature review with theoretical and empirical review as well as the construction of the conceptual framework. Data analysis was done using SPSS to obtain the required statistics especially measures of central tendency like mean and standard deviation which were then presented using tables and charts. The discussion of the findings in chapter five of report is based on the following objectives of the research effects of; procurement procedures, cost estimation, procurement risks, stakeholder participation and contract logistics on project implementation. Finally the paper ends with a conclusion based on the discussion and recommendations to streamline the procurement process and also for further reading.
TABLE OF CONTENT

Declaration ................................................................................................................................. (i)
Dedication ................................................................................................................................. (ii)
Abstract ................................................................................................................................... (iii)
Table of Contents .................................................................................................................... (iv)
List of Tables and Figures ....................................................................................................... (vi)
Definition of Terms ................................................................................................................ (vii)

CHAPTER ONE INTRODUCTION................................................................................................ 1
1.1 Background of the Study......................................................................................................... 1
1.2 Statement of Problem ............................................................................................................ 2
1.3 Research Objectives ............................................................................................................ 3
  1.3.1 General Objectives .......................................................................................................... 3
  1.3.2 Specific Objectives .......................................................................................................... 3
1.4 Research Questions ............................................................................................................. 3
1.5 Scope of the Study ................................................................................................................. 4
1.6 Significance of the Study ...................................................................................................... 4
1.7 Limitations of the Study ....................................................................................................... 5

CHAPTER TWO LITERATURE REVIEW .............................................................................. 6
2.1.1 Project and Project Implementation .................................................................................. 6
2.1.2 Procurement ..................................................................................................................... 7
  2.1.3 Importance of Procurement in Project Implementation .................................................. 8
2.2 Procurement Process and Procedures ................................................................................ 9
  2.2.1 Open Tender ................................................................................................................... 11
  2.2.2 Alternative Procurement Methods .................................................................................. 11
    2.2.2.1 Restricted Tendering ............................................................................................... 11
    2.2.2.2 Direct Procurement ............................................................................................... 11
    2.2.2.3 Request for Proposal .............................................................................................. 12
    2.2.2.3 Request for Quotation ............................................................................................ 12
    2.2.2.4 Low Value Procurement ....................................................................................... 12
2.3 Project Cost Estimation ....................................................................................................... 13
2.4 Project Contract Logistics ................................................................................................... 15
# LIST OF TABLES AND FIGURES

<table>
<thead>
<tr>
<th>Figure/Table</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 2.1</td>
<td>Conceptual Framework</td>
<td>23</td>
</tr>
<tr>
<td>Table 3.1</td>
<td>Composition of Sector Groups and Sample Size</td>
<td>26</td>
</tr>
<tr>
<td>Figure 4.1</td>
<td>Ages of Respondents</td>
<td>31</td>
</tr>
<tr>
<td>Figure 4.2</td>
<td>Gender of Respondents</td>
<td>32</td>
</tr>
<tr>
<td>Table 4.1</td>
<td>Nature of Projects</td>
<td>32</td>
</tr>
<tr>
<td>Figure 4.3</td>
<td>Nature of Projects</td>
<td>33</td>
</tr>
<tr>
<td>Figure 4.4</td>
<td>Project Size</td>
<td>34</td>
</tr>
<tr>
<td>Figure 4.5</td>
<td>Availability of Standard BQs</td>
<td>35</td>
</tr>
<tr>
<td>Figure 4.6</td>
<td>Procurement Method</td>
<td>35</td>
</tr>
<tr>
<td>Figure 4.7</td>
<td>Evaluation Criteria</td>
<td>36</td>
</tr>
<tr>
<td>Table 4.2</td>
<td>Responses on Observation of Procurement Procedures</td>
<td>37</td>
</tr>
<tr>
<td>Table 4.3</td>
<td>Procurement Procedures and Project Implementation</td>
<td>38</td>
</tr>
<tr>
<td>Figure 4.8</td>
<td>Availability of Priced BQ</td>
<td>39</td>
</tr>
<tr>
<td>Table 4.4</td>
<td>Effects of cost Estimation of Project Implementation</td>
<td>40</td>
</tr>
<tr>
<td>Table 4.4</td>
<td>Effects of Procurement Risks on Implementation</td>
<td>41</td>
</tr>
<tr>
<td>Table 4.6</td>
<td>Effects of Stakeholder Participation on Project Implementation</td>
<td>42</td>
</tr>
<tr>
<td>Table 4.7</td>
<td>Effects of Procurements Contract Logistics on Project Implementation</td>
<td>43</td>
</tr>
</tbody>
</table>
## DEFINITION OF TERMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement</td>
<td>The process of acquiring through purchase, hiring and construction of assets, services or works</td>
</tr>
<tr>
<td>Project Implementation</td>
<td>The execution of a project plan to meet its objectives.</td>
</tr>
<tr>
<td>Cost Estimation</td>
<td>The process of determining the approximate cost of the project by quantity Surveyors and accountants.</td>
</tr>
<tr>
<td>Contract Logistics</td>
<td>The actual administrative and managerial activities undertaken to ensure that the terms of a project contract are realized</td>
</tr>
<tr>
<td>Project Risks</td>
<td>Are project uncertainties whose occurrence will lead to a financial loss or interrupt project implementation.</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>All people or groups whose actions will affect the project or all those people, groups or environmental system affected by project implementation.</td>
</tr>
</tbody>
</table>
CHAPTER ONE
INTRODUCTION

1.1 Background of the Study
The Kenyan economy at the moment is experiencing growth with the public as well as
the private sectors being engaged in numerous development projects with expected socio-
economic and governance impacts. The driving philosophy behind this buoyed economic
upturn is the Vision 2030, which on its own, has enlisted over 120 flagship projects in
order to put the country in a new socio-economic and political pedestal (GOK 2007).
Therefore, there is need for the various actors involved in project development and
implementation to enhance the quality of their capacity. This enhancement is reflected in
the quality of the project plans and efficiency of implementation.

Project procurement is therefore fundamental to successful project implementation. It is
imperative that different variables in project procurement need thorough analysis before
project implementation. Part of the cycle in project procurement management is to
develop a structured and pre-determined framework for acquisition of the required
materials, services, works and contracts, and guide project execution in order to meet the
expectations of the user(s).

The public sector is full of evidence of poor project procurement practices, Owegi and
Aligula (2006), observed that recurring procurement controversies resulted in “poor
implementation of donor-funded projects ... and lack of procurement records”. This
coupled with haphazard and weak implementation of socio-economic programmes led to
a large number of stalled projects commonly referred to as “white elephants” (ERS,

Among the high profile projects that have stalled is the construction of the Vice
Presidents official residence in Nairobi which has been since 2003 and was initially
estimated to cost Shs 180 million but has since risen to over shs 400million, (The Star,
2012). The vision 2030 if implemented without well thought plans may remain a pipe
dream for the overtly optimistic citizenry. Thus, thorough procurement planning for the
various public sector projects will in no doubt accelerate their implementation besides creating an effective monitoring and evaluation framework alongside the presence of definite procurement standard guidelines.

1.2 Statement Of Problem

As observed in the background to this study there was a worrying trend of project stalling or delaying before completion, for instance the economic stimulus projects in the education, health and livestock sectors were to be completed in the 2009/2010 financial but to date quite a number are yet to complete. This research study sought to examine the effects of project procurement elements on project implementation. As a student of management my main areas of concern relate to how various procurement variables and related factors influences project implementation and their control. Central to project management is the procurement effort and thus my study will focus on establishing whether there are challenges and risks, which influence the relationship between project procurement practices and project success.

According to Owegi and Aligula (2006) recurrent public procurement controversies and its negative impact on service delivery can be attributed to weak enforcement of existing legislation. They further observe that the existence of a strong procurement management regime should increase the levels of service delivery through efficient allocation and acquisition of resources leading to timely, cost-effective and satisfactory project implementation. Kisiero J. observed in the Daily Nation that the present power supply challenges in the country can be attributed to slow acquisition of power generation equipment.

According to Agaba and Shipman (2006), negative procurement practices are manifested in wrong computation of costs by evaluation teams, shoddy commodities and goods, poor performance of construction works, failure to complete performance of contracts on time or not at all. A recent World Bank (2005), report associated these ills with failure of food safety projects under Arid Lands and Resource Management Project in Northern Kenya. Thus, it could be true that certain procurement practices by public institutions are affecting negatively project success in the country.
The basis of this study as observed by these authors was that there is a growing list of failed projects hence the need to determine the reasons. Thus, it will include the challenges in project procurement planning and implementation as well as an assessment of procurement risks, which may affect effective and efficient project implementation. The study was based on both literature review and data collection in order to determine the correlation between project procurement practices and the level of project success. The main variables in the study which would be analyzed are procurement price estimation, procurement methods, procurement risks assessment, procurement contract management and project participants in, terms of the project structure- WBS and OBS- and network. The impact of these practices and variables on the overall project success be will analyzed based on collected data from primary as well as secondary sources. It is therefore the researcher’s observation that project procurement practices affects project implementation.

1.3.0 Objectives Of The Study
This study was undertaken to fulfil the following objectives.

1.3.1 General Objective
The main objective of this study was to examine how the elements of public procurement practices affect project implementation.

1.3.2 Specific Objectives
This research was specifically focused on the following objectives;

(i) To determine how the project procurement method affect project implementation
(ii) To find out how the project cost estimation affects project implementation.
(iii)To establish how project procurement risks affect project implementation.
(iv)To find out how the project implementation logistics, affect the implementation of projects.
(v) To assess how the stakeholders affect project implementation.
1.4.0 Research Questions
The proposed research sought to answer the following questions:
(i) How do project procurement methods affect project implementation?
(ii) How does procurement cost estimation affect project implementation?
(iii) How do project procurement risks affect project implementation?
(iv) How does project implementation logistics affect project implementation?
(v) How does stakeholder participation affect project implementation?

1.5.0 Scope Of The Study
This study was focused on public projects implementation in Kericho district. It is also important to note that the researcher targeted as a basis of the study, 48 government departments classified under 11 sector-working groups involved in implementation of projects in Kericho district, Kenya. The researcher targeted all the 48 heads of departments as sample for the study.

1.6.0 Significance Of The Study
The position of procurement in any project is critical and needs to be, taken into consideration as, part of the overall strategic management of a project. The strategic importance of procurement in sourcing all project requirements to facilitate effective and efficient implementation necessitates that proper measures are put in place.

Proper project procurement management will eventually create a strong linkage between the project team on the one side and contractors, suppliers and providers on the other side. This linkage has been exploited in industry to actualize the just-in-time (JIT) philosophy. Its applicability in public procurement is an operational issue that needs to be considered, with a view to adopting it because of its effect on project costs.

Project management as a unique discipline of management science benefits a cross-section of interested parties. Subsequently, this study is beneficial to:
1.6.1 Project managers who are interested in doing business with the government,
1.6.2 The government especially the departments concerned with projects implementation may use the study to develop or improve policy.

1.6.3 Project stakeholders especially in areas where community projects are being implemented.

1.6.4 Other researchers will use the same in future research for literature review as well as to identify research gaps, which require further studies.

1.6.5 Students of project management would use this as reference and even aid them identify researchable topics, in their learning institutions.

1.7 Limitations of the Study

The researcher has limited financial resources to facilitate the research hence its scope is confined to Kericho district only.

Time Limitation – this was an academic research and the time available for the study was limited, thus the researcher limited the population sample and used the limited time to achieve the research objectives.

Availability of Respondents – the target population were heads of departments who were busy running departmental activities. To counter this, the researcher made a request during DMU meetings to all HODs to volunteer information and allowed them 7 working days to respond to the questionnaires.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
The main purpose of this study was to assess the impact of various procurement variables on project implementation. These variables include cost estimation, contract logistics, project risks, procurement procedures and stakeholder participation. Though social factors classified as stakeholder participation is an intervening variable it was treated in this study as an independent variable, because community participation in public projects is a critical element with tremendous impact.

2.1.1. The Concept Project and Project Implementation
Cleland and Kerzner (1985) defined a project as “a combination of human and nonhuman resources pulled together in a temporary organization to achieve a specified purpose” A project is therefore, defined as a logical series of related activities aimed at solving specific problems within a specific time in a specific location. It is a time bound goal directed undertaking that requires the commitment of varied skills and resources. The resources requirement is a combination of human and non-human resource pooled together in a temporary organization to achieve specific objectives.

Pinto and Slevin (1986) observed that a project has the following distinctive four characteristics, which defines it as a separate engagement from other economic or social activities: Defined beginning and end (specified time to completion), Specific, preordained goal or set of goals, Series of complex or interrelated activities and Limited budget.

Thus, a project should not be confused with an operation or programme but must, be understood to be temporary undertakings to create or provide a unique product or service or result. Projects involve a lot of planning before they are fully implemented in terms of the; target, road map, project team resources, methods and tools. Due to the nature of projects, procurement plays a critical roles in ensuring the realization of the quadruple
There are other variables which may invariably affect the pace of project implementation, for instance any change in the original project design would inevitably alter all the other project elements because, these design changes require additional time inputs from architects and engineers as well as the additional time and cost inputs from the contractor and for additional materials.

2.1.3 Procurement

According to the Public Procurement and Disposal Act 2005, procurement is the means, the acquisition by purchase, rental, lease, hire purchase, license, and tenancy, franchise of by any other contractual means of any types of works, assets, services or goods. The procurement and disposal act 2005 and regulations 2006 governs all forms of public procurement, hence procurement of resources required for implementation of public projects are done according to this legal and regulatory framework as spelt out in part IV-VI. Thus for purpose of complying with the law and procurement regulations it is necessary that a procuring entity (PE) in this case a government department implementing the project- prepares a detailed procurement plan in terms of works, assets, goods and services to be procured. The PE according to section 2a (1) shall also determine whether to use open tendering or an alternative procurement procedure.

Dobler and Burt (1996) argue that project procurement involves a wide range of activities with more buyer participation than ordinary purchasing. This is because the procurement of goods and services is a very critical path in project implementation. The performance of the supplier or contractor, in case of procurement of works will reflect on the performance of the overall ream, hence the need to ensure that they produce deliverables, which met the procuring entity’s expectations in a timely manner.

According to Schwable (2006), project procurement involves acquiring or procuring goods and services for a project from outside the performing organization. It includes make or buy analysis, contracts requests for proposals or quotes, source selection, negotiating and e-procurement.
2.1.4 Importance of Procurement in Project Implementation

The position of procurement in public project implementation or any other project is strategic and therefore requires a focused, broad and proactive approach. Projects as earlier observed are systematic in nature developing from one activity to another; therefore, the procurement plan for a project should be aligned clearly to its network of activities to ensure that the services or goods required at every level are available. It is also evident that a delay or mishap in project resource procurement will definitely lead to a delay in project implementation. This will affect the timelines benchmark and subsequently leading to unfavourable impact on cost effectiveness because of extra cost arising from the delay.

Therefore project procurement whether public or private, need to be systematic in identifying, and procuring the project needs in terms of goods, services and works. This is usually the duty of the project manager although some organizations may designate a different person to take responsibility or in case of contracted works, the contractor is fully in charge of the procurement process.

According to Crawford and Wilborn (2010) project procurement involves the following processes, the planning of purchases and acquisition in tandem with the project objectives, contract planning, requesting seller responses and selecting the seller, administering the contract and finally contract completion.

During the closing, the contract is audited to ensure all the terms of the contract were fulfilled. Contract closure involves evaluating any challenges and lessons learned while executing it.

Crawford and Willborn (2010) also note that project procurement is not an exact science. Although this process is generally accepted within the industry, the actual execution may differ between organizations. It is therefore, expected that the project procurement and process identified above though widely acceptable may not be universal.
In an article, appearing in the internet Virginia Information Technology Agency (VITA) observes that procurement in IT projects is determined by, “…value, risk, complexity and criticality of the proposed purchase”.

As can be seen from the foregoing the project procurement process is complex and requirements even the use of appropriate software.

2.2.0 Empirical Review

2.2.1 Procurement Procedures and Project Implementation

Through the project procurement process the need for outsourcing is identified and planned; hence, this process helps the project manager to identify providers like suppliers, vendors, contractors or sub-contractors. This process in government is called tendering of suppliers and contractors or professional service providers, which can help in fast tracing project implementation. This process other than helping the project manager to identify what to procure at any given stage of the project, also assist in preparation of contract documents which are then used in soliciting contracts.

According to Schwable (2006), project procurement consists of the following six main processes. These are planning purchases and acquisitions, planning contracting, requesting seller responses, selecting sellers, administering the contract and closing the contract.

The nature of project procurement necessitates the development of a detailed procurement management plan, which will vary from project to project depending on its complexity and needs. However, a procurement plan will provide guidelines; the types of contract to be used, standard procurement documents, and creation of work breakdown structures statements of work, role of the project teams and related departments, lead times for purchases and procurement metrics among other issues (Schwalbe 2006)

Lych (2011), who argues that project procurement process is an 11 steps process, supports this view. He identifies the following fundamental steps in procurement; Identification of a need, procurement planning, processing a procurement requisition, determine the appropriate procurement method, bidding process, Pre-bid meetings for
works procurement or Pre-proposal meetings, the selection and evaluation process, The contract award recommendation, recommendation to initiate contract negotiations, notification of the responsive bidder, and contract signing.

This being a systematic process is rather too long and time consuming causing unnecessary delays in project development through to completion. It is worth noting at this point that this is the scenario in the Kenyan public projects, which explain why there are a high number of uncompleted projects.

At this point, a brief overview of the public procurement act 2005 and regulations 2006 is important because they greatly affect public project procurement as well as implementation.

The public procurement and disposal act 2005 and regulations 2006 outlines seven methods which can be used by a public entity to procure for goods, services and works. These regulations also apply to public project procurement because they are financed using taxpayers money and other public funds like grants and loans. According this Act the following methods can be used.

2.2.1.1 Open Tender

This is the most preferred method of public procurement because it ensures fair competition between local and international suppliers, contractors and service providers. The alternative means of procurement are conditional and can only be used by an organization with written approval of its tender committee and the PPOA notified of the same in writing.

The open tender is a systematic process that begins with the preparation of specific in a tender document and an advertisement in a widely circulated public media using the standard tender documents. These bids submission is closed and the bids are opened usually in a tender committee meeting and in the presence of bidders or their representatives.
The next step is technical evaluation where the bids are assessed or examined to determine their technical, financial and commercial responsive uses. The technical evaluation committee makes recommendation to the tender board at whatever level and based on these recommendations "the successful tender shall be the tender with the lowest evaluated based on the costed estimates of the project engineer or valuer of goods or services. Once a bidder has been awarded, the contract is signed and the process of project implementation begins.

The open tender process though widely advocated for is long and might lead to project delays which will impact negatively on the final cost of the project as well as funding. Direct initiation to tender can also be used as an open tender.

2.2.1.2 Alternative Procurement Procedures

The act and regulations also set out alternate methods of public procurement that can be used instead of open tender but they are all predicated on certain conditions as discussed below:

2.2.1.3 Restricted Tendering

This method is only allowed according to the level of procurement up to maximum specified figures for instance at the district level the maximum is 4m while ministerial level is 20 m. The procuring entity can also use restricted tendering under the following conditions set out in section 73 (2) (act, 2005). In this case competition is limited to pre-qualify due to the complex or specialized nature of works, time and cost to evaluate large bids is disproportionate to the value of goods, works or services to be procured and when there are only a few known suppliers of the goods, works or services.

2.2.1.4 Direct Procurement

This involves direct placement for goods, works or services and can only be used if the reason is not to avoid competition for instance when; section 74 or in case of urgent need for the goods, works or services being procured. However before the goods, works or services are provided there is need for the procuring entity to negotiate with the supplier and put the agreement in writing.
2.2.1.5 Request for Proposals
According to section 76(1) and (2) of the act this method can only be used if the procurement is of services or a combination of goods and services. This might arise in project phase where certain expertise and special machinery is required for that phase only. Alternatively, it can also be used where the procured service is advisory or predominantly intellectual like in consultancy services. The request for proposals requires that the person submitting the proposal submit a technical and financial proposal separately so that the technical proposal is first evaluated before the financial bids are opened and evaluated.

2.2.1.6 Request For Quotations
Section 88 of the act outlines situations when request for quotations may be used like when purchasing goods which are readily available within an established market or when the value of goods is less or equal to the prescribed minimum for quotations. This method can be used in project procurement to purchase requirement like printers, toner cartridges or secure venues for project consultation meetings with stakeholders or for project teams preparing progress report. In this case, the successful quotation is that of the lowest bidder which meets the requirements spelt out in the quotations.

2.2.1.6 Low Value Procurements
Section 90 prescribes the procedure for procuring low value goods, works or services subject to a prescribed maximum value. This involves the purchase of small items or low value services to satisfy office needs. The law however prohibits breaking down procurement in order to avoid due process.

2.3 Project Cost Estimation and Project Implementation
Project procurement like all other demand vs. supply practices should be guided by the consumer behaviour theory while determining the overall project cost. However, projects being adhoc and unique activities may not necessarily conform to the laws of supply and demand. There are many other underlying influences on the procurement process, which
will affect effectiveness speed, cost and quality of the procured goods, works and services.

In the public sector procurement, both regular or project, the underlying principles or concepts are; right price, right quality, right quantity and place. Therefore, supply and demand theory may not necessarily apply especially where a limited number of suppliers, vendors, contractors or sub-contractors are involved.

The principles of market forces may also be curtailed in public procurement especially during prequalification because the law allows prequalification of a number of listed suppliers or contractors not necessarily on the basis of prices but other considerations like tax compliance, company registration and types of goods, services or works offered.

As earlier noted project procurement in general involves various processes ranging from procurement planning, contract administration to contract closing or audit. This (audit) help to ensure that the objectives set out at the start of the procurement and project conceptualisation are realized in time, at the appropriate cost, right quality and relevant to the needs of the buyer or public.

The pricing decisions used in project procurement are more complex compared to ordinary market pricing. the mode of pricing used also vary according to procurement types for instance projects which involve capital investment uses different pricing modes than service provision projects or contraction projects. Dobler and Burt (1996), opines that a competitive process is not truly efficient in services market. It is constrained by three forces and factors of supply namely, one of the strongest factors influencing competition and prices – a continuing or cumulative supply is absent. Interchangeable services generally are not available due to the personal effort and involvement of the supplier. Moreover, the supply of services is more easily restricted or restrained than it is for commodities or products.
However, it is also important to note that professional service pricing may be contacted differently for instance, bidders may be asked to submit 2 bids at a time—one for professional services and the other is a financial proposal. In such a case only those bidders whose service provision proposals are acceptable will have their financial proposals evaluated to determine the winner of the service contract.

In the case of procurement of works like in the construction industry, the whole project is detailed in the architectural and structural designs that are used to the bills of materials (quantities). The whole contract is given out in form of a tender is evaluated based on specific guidelines and mechanism to identify the most suitable bidder in most cases, but always, the lowest bidder.

Even so, the bid price should compare favourably with expert projection on the cost of the project. Hence, in spite of low-bid prices the lowest bidder is certainly not an automatic winner because customers (project managers) are now more concerned with cost realism and the ability to perform under contract. (Kerzer,1989) subsequently a compliant sound technical and management bid, based on past experience with realistic, well-documented costs, it is often selected over the lowest bidder who is considered risky in terms of technical performance, cost and schedule.

It is important to note that in Kenyan public procurement the guiding philosophy in pricing is “value for money” which combines the “whole life” costs—both quantitative and non-quantifiable costs—and quality. Ogot et al observed that, value for money is an essential test to procuring entities to justify ...outcome, going beyond the price to get the best available outcome when all relevant costs and benefits over procurement cycle are considered.

It is therefore imperative that proper cost estimation and administration approaches are used to maximize on cost efficiency and minimize on unnecessary financial attrition (leakages) in the project. Cost control in a project situation is a result of sustained effort to optimize on procurement and implementation costs and should be in-build in a project
through expenditure consciousness from the initial to the closing stage of the project and must encompass corrective action once spiraling costs are noted.

The EC, identifies ten factors which causes cost-overruns in projects as; design changes, poor project management, land acquisition costs, force majeure, funding problems, inappropriate contractors, exchange rate, shortages of material and plant, inflation/relative price changes and unexpected ground conditions.

Thus a very pertinent determinant of sourcing in procurement is the price or cost of the project. The law envisages a situation whereby the lowest bidder is selected as a supplier or contractor. but it is not always the case that the lowest bidder is the cheapest because there are other incidental costs in a project, for instance, the purchase of a project vehicle should not only take into account the initial cost but also the maintenance cost. There are times when a required resource reflects a higher purchasing price but its maintenance costs are less compared to others, (Dobler and Burt 1996).

2.4 Project Contract Logistics and Project Implementation

Project management is a strategic process and therefore the project manager needs to develop a concrete (detailed) strategy to, successfully implement the project. Project procurement should be process-oriented and strategic because of its centrality to implementation. This depends on the mechanisms used that should involve adoption of good management information system as well as strong interpersonal relations with suppliers and donors.

Stock and Lambart (2001) observes that the strategic role of procurement is to perform sourcing–related activities in order to achieve the overall objectives of the organization. Among the basic procurement activities that influences successful project implementation are supplier selection, evaluation, ongoing management and total quality management, this it ranges from a support role to a strategic function by anticipating and meeting the resource requirements of all functional areas in a project through coordination of rebound logistics and all material inflows and timely allocation.
This scenario presents a perfect case for strategic logistics and action so that the total life cycle costing can be adopted by putting together all the costs involved like; pre-purchase costs, purchase (construction) costs, operational and maintenance costs and disposal or decommissioning cost. Alternatively, a total quality management (TQM) approach can be adopted so that a contractor, supplier, or professional who offer the best cost-quality combination is selected. This will enable the organization avoid unnecessary costs associated with poor product specification vs. quality matching. The TQM approach also helps in further reducing costs and delays in delivery associated with quality inspection through supplier or provider certification where by the providers’ quality levels are monitored and evaluated to meet certain minimum standards set by the buyer (Stock and Lambart, 2001). Quality is also a critical factor which project procurement is base the just-in-time philosophy because poor quality may lead to immediate work interruptions leading to excessive cost and delays.

Some project contracts once awarded fail to comply with the entire performance criterion because the contractor fails to follow the work plan. This failure to observe the project time schedule would definitely lead to both cost and time over-runs, which may ultimately cause stagnation as more funds are sought, or the contract mobilises equipment to the site. Contractors can improve on implementation logistics through JIT while clients can strategically manage projects through e-procurement process because they are able to notice over loaded contractors and by-pass the during contract award.

2.4.1 Just-In-Time Procurement

Just-In-Time (JIT) is a procurement philosophy that focuses on the identification and elimination of resource waste and emphasizes continuous improvement. It matches supply with known demand and helps in reducing the carrying cost in project by eliminating the need for storage space and other related risks or costs. By applying JIT in project network, scheduled supplies are delivered in time for the activity that utilizes it.
JIT is effective in situations where there is close and regular buyer-supplier communication so that they are able to understand each other's schedule of activities. Stock and Lambart (2001) observes that it is important that the two adopt strong electronic data interchange (EDI) to facilitate timely and accurate exchange of information.

Further, in a project implementation context, JIT agreements should ensure timely and accurate delivery of the required materials or resources. This requires close coordination of inbound materials and their quality to ensure steady reliable and timely deliveries for project continuity.

### 2.4.2 e-Procurement

The application of e-procurement in public project procurement is limited. The public procurement and disposal act 2005 allows in section 54(2) the use of the procuring entity's website for the purpose of advertisement. However, the act does not give room for e-application or bidding and e-evaluation of the tender. This implies that the public entities lose the benefits associated with the efficiency of e-procurement in the management of public projects.

As a practice, e-procurement if adopted would help the government to streamline and integrate its supply chain system. It will also help it to easily transcend, global boundaries. This would definitely create operation economics especially in public project procurement because of easy connection to numerous contractors, suppliers and providers worldwide at the clinch of a button. The speed associated with internet operators will help greatly reduce procurement time and the project duration in general.

### 2.5. Project Procurement Risks and Project Implementation

Project procurement risks are uncertainties experienced in project implementation process that are varied and ranges from natural, political to financial risks, which could impede both procurement and implementation. The World Bank in its procurement manual has identified non-conventional risks, which affects projects through delays or complete disruption (World Bank, 2003).
These risks are ambiguities about procurement responsibilities in project administration, absence of sound well-established procurement practices, lack of experience or capacity in the implementing agency to handle the procurement process and propensities for corruption in the selection of contractors and the subsequent management of contract performance. Others include uncertainties about the availability of project execution prerequisites such as rights-of-way, authorizations and permits, relocation plans for affected populations; and Community opposition to or lack of understanding and support for, the project.

These risks require immediate attention in form of mitigation strategies to defray the negative impact on successful project procurement and implementation. The best approach to risk mitigation is minimizing the number of risks through detailed preparation and gathering adequate information about the project. Risks can also be, mitigated through spreading risks between the client and contractor proportionately based on their capacity to absorb them.

The World Bank (2001) identifies the following mitigation mechanisms: distinct section on procurement in the project manual; preparing standard bidding documents; having experienced contractors prepare project design; having experience procurement agents assist the implementing agency; robust post-review of contracts and procurement audits. This clearly indicates that procurement risks management in projects is the duty of the project manager for successful project implementation. In the local situation, there are two issues of corruption and environmental conservation poses challenges in project implementation.

2.5.1 Corruption and Anti Corruption Practices In Project Procurement.

There has been deep-seated perception that public projects, has been treated as avenues of corruption to enrich a few public officer engaged in management, which take many forms, including bribery, deception (fraud) or simple abuse. Corruption in procurement affects the efficiency of public spending and donors' resources, creates waste and, ultimately, affects the quality of the project be in education, health, or infrastructure
development sectors. The PPD Act 2005 was enacted to promote transparency, accountability and the reduction of corruption, actual or perceived, in public procurement practice PPOA (2009).

Therefore, preventing and controlling corruption in procurement is a determining factor in project efficiency. Whereas there is no simple remedy for corruption certain measures would still help to reduce or minimize its impact like regular monitoring, supervision and control. This is because good rules though necessary may not always be enough to curb corruption. It is also important to have clear and publicly available procedures and regular audits by external parties. Combating corruption in public projects is increasingly becoming a global issue of consensus among governments, donors and credit agencies, private sector and civil society organizations around the world. They generally concur that the following measures can help stem corrupt practices in project procurement: competitive bidding, political commitment, uprooting of corrupt relationships through reshuffle of procurement officers to disrupt corruption networks. Simplification of rules, benchmarking and off-the-shelf items pricing, supplementary works should be priced competitively, inspection and codes of conduct and rules of disqualification, World Bank (2001). Others donors like IFAD has developed guidelines to prevent fraud and corruption, and expects all parties involved in project procurement to observe the highest standards of ethics and integrity during the procurement and execution of contracts, IFAD (2010).

2.5.2 Green Issues in Project Procurement

The consideration of environmental impacts in projects both public and private projects are posing project design challenges as well as opportunities for innovation (Comhar, 2010). Green tender specifications, has been developed in Europe with the possibility of additional points to contractors whose goods and services are environmentally preferable. The benefits of carbon credit are felt in project procurement and would develop in to a compliance practice world over due to the global desire for environmental conservation, protection and preservation.
Locally Environmental Management and Conservation Act (EMCA) 1999 have put in place environmental standards, which project implementation agencies must comply with before undertaking projects. Environmental mitigation strategies at times might cause an upshot in project costs or may cause a project to stall.

2.6 Project Stakeholders Participation and Project Implementation

Public procurement as noted while discussing the procurement and disposal act 2005 ought to be an open all-inclusive affair. Tenders for the project, must be advertised, through a media that enjoys wider circulation both nationally and internationally. The bids received are opened in a transparent process where tenderers have a choice to send representatives while the expert price estimate is announced in order to minimize chances of cost estimate collusion between unscrupulous bidders and public servants.

According to Ogot et al (2009), open and competitive tendering is one of the core principles and pillars of the procurement process because it affords the government an opportunity to get best value in procurement and at minimum cost. Nevertheless, also accords various suppliers and contractors a chance to benefit from doing business in a regulated environment free of favouritism and profiteering.

However, the involvement of several participants in the process creates fertile grounds for collusion and influence peddling. Various members of the tender committee, the procurement secretariat, project manager, the client and accountants have their own selfish interest which they hope to meet through the contract. There is a wide spectrum of stakeholders beyond the tender committees, with divergent interests in the project. The challenge associated with stakeholder participation is clear role definition and creating unity of purpose in order to facilitate smooth project implementation, IFAD (2010).

In certain projects, the immediate community are expected to play the role of partners through either cost sharing or providing required resources like land or manpower. Other challenges are associated with the role of civil society organizations that may act as intermediaries or mobilizes but at times may lead anti-project activism like in the case of the Sondu-miriu power project in the 90s.
2.7 Overview of the Legal and Regulatory Framework

The Kenyan procurement system like all others the world over is regulated by statutes and related guidelines. Currently the public procurement and disposal act 2005 and regulations 2006. The essence of the act and related regulations is to guide the procurement process to ensure economy, accountability, non-discrimination and respect for international obligations (OECD 20). The public interest in the goods, services, works or contract being procured must be protected.

As a practice, public procurement unlike private procurement is done within a political system with significant consideration of integrity, accountability, national interest and effectiveness (Wittig 1998).

However, even with enactment of the relevant laws public procurement is still shrouded in secrecy, inefficiency, corruption and undercutting leading to enormous wastage. The act is a recent development in the regulatory framework for public procurement in Kenya. However, at independence and up to the early 1970s procurement seemed to be adhoc and non-regulated with strong external influence by organizations that used to serve the establishment of supplies offices in various government departments with the treasury overseeing the procurement process through circulars and guidelines issued regularly. at the same time the 3 East African Community governments prepared a joint EA supplies manual used in the 3 countries to guide the purchasing of goods and services OECD (2002).

However, the EAC collapsed soon forcing the members to develop their own guidelines. Kenya prepared its guidelines that remained in force 1978 to 2001. The central tender board became a regulatory authority that controlled all forms of government procurement. Alongside this, the treasury through frequent circulars also controlled ministerial procurement. This subsequently led to the emergence of grade corruption and manipulation of procurement to Suit certain individual’s interests GFRP (1989).

Because of the above challenges and malpractices various procurement stakeholders started demanding for procurement reforms compelled with this was the pressure form
donors including the Breton woods institutions, IMF and WB, WTO etc. The objective of the reforms was mainly to rationalize/harmonies national procurement practices with international procurement guidelines to make it more transparent and beneficial to local entities World Bank (2002). The biggest footmarks of the inefficiency and corrupt nature of our procurement systems were incomplete projects, the so-called “white elephants” which dotted the entire national landscape.

The Kenyan government in partnership with donor organizations like IMF, WB and ADB initiated the public procurement reform process in the late 1990s to address procurement laws, establishing systems in order to increase transparency and efficiency OECD (2002). However, parliament delayed in enacting laws drafted during this reform initiative prompting the treasury again to issue the exchequer and audit (public procurement) regulations 2001 to guide public procurement. This was the predecessor of the current act and regulations. It is important to note that adherence to public procurement in order to safeguard public funds. Consequently, it is crucial to ensure that all procuring entities observe the laid down procedure in public sector project procurement. Little murder therefore that the centrepiece of the procurement reform was legislation to promote economy and efficiency in procurement. This would also lead to fairness, transparency and non-discriminatory practices in public procurement.

The government through the directorate of public procurement and public procurement oversight authority and public procurement appeals board ensure strict enforcement of the procurement and disposal act 2005 and regulations 2006. It is therefore incumbent on the tender committees at various levels of government ministries, districts and sagas to ensure strict adherence to the regulations and law. The legal framework also set out the procurement thresholds for different procuring entities. It also set guidelines on the use of different procurement methods and procedures like open tender, restricted tender prequalification single sourcing among others PPOA (2009).
2.8 Critique Of The Review

From the above discussion, it can be observed that public project procurement in Kenya is experiencing a lot of challenges and risks which definitely affects project implementation. These challenges are legal, institutional, operational, financial and strategic. Indeed, in a recent public statement the prime minister indicated that there was an urgent need to review the public procurement and disposal act 2005 and, public procurement and disposal regulations 2006 to make them more responsive to the changing economic environment in the country in view of the vision 2030 and in order to avoid delays.

On the other hand, the head of the Kenya urban roads authority (KURA) observed that the Thika - Nairobi highway will not be completed as scheduled because of existing infrastructural obstacles like the sewerage, water pipeline and electricity lines. These he observed required relocation away from the road but the cost and the logistics involved are such that they cannot be moved easily. According to him, the project will consequently be delayed for over six (6) months.

However in spite of the challenges noted in this discussion it is worth appreciating the extent to which reforms in public procurement has helped to increase the completion rate for public projects and reduce the many 'white elephant projects' associated in the past with poor procurement practices. It is therefore, important that the procurement system be reformed further to allow for strategic applications like JIT and e-procurement, this will definitely lead to efficient and effective public procurement with positive impact on project implementation especially at such a time like this when the whole country is focused on the implementation of the vision 2030 flagship projects.
2.9 The Conceptual Framework

The conceptual framework of the researcher's underlying hypothesis is that procurement variables greatly influence accurate and timely implementation of projects.

**Figure 2.1: Conceptual Framework.**

**Independent Variable**

- Cost Estimation
- Procurement Methods/Procedures

**Dependent Variable**

- Project Procurement Risks
- Project Contract
- Logistics
- Stakeholder Participants

Source: Author (2012)
CHAPTER THREE
RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction
This chapter describes and justifies the research design which was used in this study. It also describes the target population, sample size, sampling procedures, data collection instruments and procedures used for the research, piloting of instruments, data analysis procedures and data presentation.

3.2 Research Design
This study was a survey of the impact of project procurement in project implementation; hence, it is descriptive and explores the relationship between project procurement and project success. Descriptive survey is a method of data collection through interviews and questionnaires to a given sample (Orodho, 2003). Thus the main tools of data collection are questionnaires administered to various respondents involved in project management. This is because it can capture the respondents' attitudes, opinions, habits or any educational or social variables (Orodho and Kombo, 2002). Meredith, (1996) observes that a descriptive survey enables a researcher to study a phenomenon in its context hence it is appropriate for this study because the expected respondents are actively involved in project management. This design was appropriate for this study because it sought to describe the factors affecting the implementation of project procurement holistically in their actual environment (Mugenda & Mugenda, 1999).

3.3 Target Population and Sampling
The target population of this study were public servants involved in project planning and implementation in Kericho district. There were 48 departments and public offices in this region including CDF and Local authorities, which are semi-autonomous in nature. The study extended to these semi-autonomous institutions to bring on board their experiences in project procurement and implementation. Public institutions in the district have been categorized in to 11 sector-working groups by the office of the Prime Minister (SPS, 2010).
For purposes of this research only those officers from various departments in these Sector-working groups with the authority to incur expenditure (AIE) will form part of the population. Thus only the head of each department (HOD), who is an AIE holder, was taken to form the population census. It is also important to observe here that each department represents a population substratum that was used to determine the sample. Each of these classes of the population has peculiar issues in terms of project management, which impact separately successful realization of project goals. From this heterogeneous population of 48 officers, the researcher drew his sample using stratified sampling because it guarantees each substratum representation, in the data collection process. On each of the sample substratum, a questionnaire was administered. According to Kasomo (2006), 10% of the accessible population is enough for descriptive survey study. Though a sample of 3 respondents from each population substrata was within the acceptable sample, the researcher administered questionnaires on all the 48 HODs in the district in order to improve reliability.
### Table 3.1 Composition of Sector Groups and Sample Size

<table>
<thead>
<tr>
<th>SR/No.</th>
<th>Sector Name/ Sector Working Group</th>
<th>No. Of Departments</th>
<th>No. Of Officers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Public Administration Sector</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>Environment, Water and Sanitation Sector</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>Special Programs Sector</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>Research Innovation and Technology Sector</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>Physical Infrastructure Sector</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>6</td>
<td>Tourism Trade and Industry Sector</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>Governance, Justice, Law and Order Sector</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>8</td>
<td>Human Resources Development Sector</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>9</td>
<td>Agriculture and Rural Development Sector</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>10</td>
<td>National Security Sector</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>11</td>
<td>Total</td>
<td>48</td>
<td>48</td>
</tr>
</tbody>
</table>


### 3.4 Instrumentation

In collecting research data, the researcher used questionnaires as the main tool for data collection, and administer on the sample obtained from the population substrata mentioned above. A questionnaire was the most appropriate means as the respondents filled them at their convenience, answered the items in any order or even took more than one sitting to complete it (Meredith, 1996). Subsequently questionnaire was prepared and administered on the sample extracted from the main population i.e. public sector departments and organisation. The questionnaire for public servants involved in project
management was designed to gather information on the following aspects of project procurement: Project procurement cost estimation; Project procurement process; Project procurement risks; Project procurement contract management and Project stakeholder participants.

The questions were structured with a Likert scale answering alternatives. However, in order to obtain the personal input and observations of the respondents an open-ended question was given at the end of the questionnaires.

3.5 Data Collection Procedure
During the data collection, process the researcher with the help of two assistants distributed and administered the questionnaires to the respective respondents. The respondents according to their individual work demands were given time to go through the questionnaires and give their responses.

The duration given to every respondent though subject to individual personal demands did not exceed 7 days. The research assistants were used to collect the questionnaires from the respondents in order to raise the percentage of response.

3.6 Testing the Validity and Reliability of the Research Instrument
The researcher used piloting and Cronbach alpha to measure the reliability of the instrument whereby a reliability of 0.7 – 1.0 was acceptable. Borg and Gall (1989) asserted that content validity is improved through expert judgment thus content validity was assured through constant consultation with the supervisors to find out whether the instrument measures what it was intended to measure.

3.6. Data Analysis and Presentation
Data collected was edited and coded to facilitate analysis. Data analysis was done using descriptive statistical techniques like measures of central tendency, which includes mean and standard deviation. Statistical package for social sciences (SPSS) was used to generate the required data analysis parameters. The analysed data was presented in form of findings, interpretations, conclusions and recommendation.
CHAPTER FOUR
DATA ANALYSIS AND FINDINGS

4.1 Introduction
The data collected in this study from various respondents was classified, coded and entered into the SPSS database, analyzed, interpreted and presented in this chapter. The purpose of the study was to examine how the elements of public procurement practices affect project implementation in Kericho district. The specific objectives of the study were to find out how the project procurement method affect project implementation, to find out how the project cost estimation affects project implementation, to establish how project procurement risks affect project implementation, to find out how the project implementation logistics affect the implementation of projects and to assess how the stakeholders affect project implementation.

4.1.1 The Response Rate
The researcher targeted 48 respondents from all the government departments in the district from the 11 sector working groups out of which 43 responses were obtained. This represented an 89.5833% response rate, which is adequate for analysis. This is because Babbie (2002) recommends a minimum response of 70% for data analysis hence 89.5833% is even better.

4.2 General Information
This section outlines the general information the researcher sought from the respondents. The general information presented in this section and its subsections include; age, gender, nature of the project and project size.

4.2.1 Age of the Respondents
The researcher sought to know the age of the respondents; the findings are presented in the figure 4.1 below. This shows that from the findings 11.63% of the respondents were between 25-34 years while 62.79 were between 35-45 years and 25.58% were over 45 years.
4.2.2 Gender of the Respondents

The researcher sought to establish the gender of the respondents, whose findings are presented in the figure 4.2 below. The findings are that 55.81% of the respondents were male while 44.19% were female, this clearly show that male are more.
4.2.3 Nature of the Projects

The researcher sought to establish the types of projects being supervised by the respondents and the findings are presented below in figure 4.3. These findings indicate that there 12 construction projects which formed 27.95%, 5 ICT projects which constituted 11.63%, 5 empowerment projects which again constituted 11.63% and 21 ESP projects which constituted 48.84% of projects implemented.

Table 4.1: Nature of Projects

<table>
<thead>
<tr>
<th>Nature of project</th>
<th>No. of projects</th>
<th>Percentage of the total no. of projects.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction projects</td>
<td>12</td>
<td>27.90%</td>
</tr>
<tr>
<td>ICT projects</td>
<td>5</td>
<td>11.63%</td>
</tr>
<tr>
<td>Empowerment projects</td>
<td>5</td>
<td>11.63%</td>
</tr>
<tr>
<td>ESP projects</td>
<td>21</td>
<td>48.84%</td>
</tr>
</tbody>
</table>

Source: (Survey 2012)
4.2.4 Project Size

The researcher also sought to know the various project sizes ranging from less than 1m to over 10m in terms of cost. The findings are presented in figure 4.4 below and shows that 19.96% were small projects costing less than 1million, 29.94% of these projects costed between 1m-5m, the bulk of the projects 45.34% costed between 6m-10m and only 4.76% costed over 10m.
4.3 Effects of Procurement Procedures on Project Implementation

The researcher in this study sought to determine how project procurement procedures in the public sector affect project implementation; the various responses are presented in the following subsections.

4.3.1 Standard Bill of Quantities (BQs)

The researcher wanted to know if the project had a standard BQ as provided for by the PP&D Act 2005 and in response 85.69% of the respondents answered in the affirmative while 14.31% opined that there was no standard BQ. The findings are presented in figure 4.5 below.
4.3.2 Project Procurement Method
The researcher sought to know the method adopted to procure the project and the findings are presented below in figure 4.6.

Source: (Survey 2012)
These findings clearly show that open tender was the most preferred method at 50.1% while quotations were used by 33.27% and prequalification by 16.63% of the respondents. On the other hand none of the respondents had used direct sourcing.

4.3.3 Evaluation Criteria

The researcher further sought to establish whether in the opinion of the respondents the procurement process was objective or subjective. The results are presented below in figure 4.7.

![Fig. 4.7 Evaluation Criteria](image)

Source: (Survey 2012)

This shows that 57.43% of the respondents felt that the procurement process was objective while 42.57% were of the opinion that it was subjective.

4.3.4 Observation of Procurement Procedures

The researcher also wanted to determine whether procurement procedures were strictly observed by the respondents while procuring contracts for their projects. The results are tabulated below in table 4.2.
Table 4.2 Responses on observation of procurement procedures

<table>
<thead>
<tr>
<th>Procurement Procedures</th>
<th>Yes (√)%</th>
<th>No (X)%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition of need</td>
<td>85.12</td>
<td>14.88</td>
</tr>
<tr>
<td>Call for bids</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Evaluation of bids</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Award of tender</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Contract signing</td>
<td>75.37</td>
<td>24.63</td>
</tr>
<tr>
<td>Site handing over</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Project Inspection</td>
<td>47.81</td>
<td>52.19</td>
</tr>
<tr>
<td>Completion and project handing over to user</td>
<td>53.71</td>
<td>46.29</td>
</tr>
<tr>
<td>Final payment</td>
<td>66.27</td>
<td>33.73</td>
</tr>
</tbody>
</table>

Source: (Survey 2012)

These findings indicate that the majority of the project supervisors observed procurement regulations with call for bids, award of tender and contract signing being observed in all the projects at 100% while project inspection was least observed at 47.81%. From the findings it can also be said that 53.71% of the projects started were completed and handed over to the user while 46.29% were not completed any may consequently suffer time and cost overruns. The findings also show that 66.27% of these projects had been paid fully which imply that 12.46% of the projects were fully paid before completion and handing over to the user. This might affect their completion because some unscrupulous contractors may decide to abandon the projects. According to these responses 14.88% percent of the projects were initiated without any consideration of the user’s needs hence their relevance to the user is highly doubtful, these are projects initiated because of political interests and may not have any impact on the users. The respondents also felt that 24.63% of the projects tendered never had contracts signed this means that they might not have been executed or were executed without the contract being signed, hence the contractor may not fulfil all the requirements in the absence of a signed contract.
implementation in the public sector. From the findings they agreed that emergency procurement is a reason for unprocedural procurement (M=3.569, SD=1.262), long procurement procedures lead to delayed implementation (M=3.984, SD=1.030). However they disagree with the statement that small projects (M=2.746, SD=1.262), time factor (M=2.328, SD=1.271), classified or security projects (M=2.363, SD=1.331), collusion with bidders (M=2.730, SD=1.358) as the causes of unprocedural procurement and that high quality outputs may not be realised in such cases (M=2.439, SD=1.165).

4.4 Effects of Cost Estimation on Project Implementation
The researcher wanted to establish the respondents’ opinion on the effect of cost estimation as an important element of procurement on project implementation the findings are presented and analyzed in this section.

4.4.1 Priced Bill of Quantities
The researcher sought to know whether the project had a priced BQ during tender opening as required by the PP&D Act 2005, the responses are presented in figure 4.8 below;

![Fig. 4.8 Availability of Priced BQ](image)

Source: (Survey 2012)
Table 4:4 Effects of cost Estimation of Project Implementation.

<table>
<thead>
<tr>
<th>Elements of project costs and funds</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of standard costing guidelines for similar projects in different parts of the country leading to cost exaggeration</td>
<td>9.0</td>
<td>34.3</td>
<td>11.9</td>
<td>26.9</td>
<td>17.9</td>
<td>3.104</td>
<td>1.304</td>
</tr>
<tr>
<td>Fair project prices which bring value for money due to competition</td>
<td>25.4</td>
<td>41.8</td>
<td>10.4</td>
<td>16.4</td>
<td>6.0</td>
<td>2.358</td>
<td>1.202</td>
</tr>
<tr>
<td>Diversion of funds to other projects or areas because of political favouritism leading to stalled projects</td>
<td>6.0</td>
<td>20.9</td>
<td>10.4</td>
<td>47.8</td>
<td>14.9</td>
<td>3.447</td>
<td>1.158</td>
</tr>
<tr>
<td>Contract cost variation due to under pricing in order to win the contract</td>
<td>15.2</td>
<td>30.3</td>
<td>6.1</td>
<td>43.9</td>
<td>4.5</td>
<td>2.924</td>
<td>1.244</td>
</tr>
<tr>
<td>Inflation and adverse changes in the exchange rate may necessitate project cost variation</td>
<td>3.1</td>
<td>9.2</td>
<td>20.0</td>
<td>36.9</td>
<td>30.8</td>
<td>3.830</td>
<td>1.069</td>
</tr>
<tr>
<td>Delayed release of funds by financiers may lead to cost escalation, time overruns or stalled projects</td>
<td>6.1</td>
<td>22.7</td>
<td>6.1</td>
<td>43.9</td>
<td>21.2</td>
<td>3.515</td>
<td>1.230</td>
</tr>
<tr>
<td>Effective Cost control in projects is due to optimum procurement and timely implementation.</td>
<td>7.6</td>
<td>30.3</td>
<td>12.1</td>
<td>36.4</td>
<td>13.6</td>
<td>3.181</td>
<td>1.226</td>
</tr>
</tbody>
</table>

The table 4.4 above shows the extent to which the respondents agree with the statement on the effects of cost estimation of projects implementation. The findings(results) show that the respondent agree that lack of standard costing guidelines for similar projects in different parts of the country leads to cost exaggeration (M=3.104, SD=1.304), diversion of funds to other projects or areas because of political favouritism leads to projects stalling (M=3.447, SD=1.244) inflation and adverse change in the exchange rate may lead to cost escalation, time overrun or stalled projects (M=3.515, SD=1.230) and effective cost control in projects is due to optimum procurement and
timely execution (M=3.181, SD1.226). The respondents disagreed with the statements that fair projects prices which bring value for money due to under pricing in order to minimize contracts (M=2.924, SD=1.244)

4.5 Effects of Procurement Risks

The researcher sought the opinion of the respondent on effects of procurement risks on project implementation the results are presented in table 4.5 below.

Table 4.4 Effects of Procurement Risks

<table>
<thead>
<tr>
<th>Project procurement risks and their effects</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project risks like floods, strikes, and power outages and fuel shortage which disrupts the pace of project implementation.</td>
<td>10.4</td>
<td>14.9</td>
<td>10.4</td>
<td>50.9</td>
<td>13.4</td>
<td>3.417</td>
<td>1.207</td>
</tr>
<tr>
<td>Fraud and corrupt practices in project management causing undue delays in project completion and loose of project funds.</td>
<td>1.5</td>
<td>9.1</td>
<td>9.1</td>
<td>45.5</td>
<td>34.8</td>
<td>4.030</td>
<td>0.976</td>
</tr>
<tr>
<td>Legal, political and economic uncertainties like new laws, leadership and economic slum disrupt the pace of project implementation.</td>
<td>2.1</td>
<td>4.5</td>
<td>4.5</td>
<td>47.2</td>
<td>41.8</td>
<td>4.209</td>
<td>0.754</td>
</tr>
<tr>
<td>Reshuffling of procurement officers reduce prevalence of corruption and minimize uncertainties</td>
<td>6.0</td>
<td>14.9</td>
<td>11.9</td>
<td>44.8</td>
<td>22.4</td>
<td>3.627</td>
<td>1.162</td>
</tr>
<tr>
<td>Risks can be mitigated through spreading them between the client and contractor proportionately based on their capacity to absorb them.</td>
<td>10.4</td>
<td>32.8</td>
<td>26.9</td>
<td>26.4</td>
<td>3.5</td>
<td>2.791</td>
<td>1.052</td>
</tr>
</tbody>
</table>

Table 4.5 shows the extent to which the respondents agreed or disagreed with the researcher’s statement on the effects of procurements risks on projects implementation. The respondents from the results, agreed that projects risks like floods, strikes, power shortage and fuel shortage disrupts the pace of projects implementation (M=4.030, SD=0.976) legal, political and economic slump disrupts the pace of projects implementation (M=4.200, SD=0.754) reshuffling of procurement officers reduce prevailing of corruption and minimize uncertainties (M=3.627, SD=1.162). But they disagreed that risks can be mitigated through spreading them between the client and contractors proportionately based on their capacity to absorb them (M=2.791, SD=1.052).

4.6 Effects of Stakeholders’ Participation on Project Implementation

The researcher wanted to know how the respondent felt concerning the effects of stakeholder’s participation on project implementation. The findings are presented in table 4.6 below.

Table 4.6 Effects of Stakeholder Participation on Project Implementation

<table>
<thead>
<tr>
<th>Effects of stakeholder participation on project implementation</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Stakeholder involvement is enhanced true site and mobilisation meetings</td>
<td>4.5</td>
<td>6.0</td>
<td>3.0</td>
<td>47.8</td>
<td>38.8</td>
<td>4.104</td>
<td>1.031</td>
</tr>
<tr>
<td>Conflicts between implementing agency and local community over choice of contractor affects implementation</td>
<td>4.5</td>
<td>6.0</td>
<td>4.5</td>
<td>50.7</td>
<td>34.3</td>
<td>4.044</td>
<td>1.021</td>
</tr>
<tr>
<td>Undue influence by political leaders with vested interests affect project efficiency especially in CDF and LATF projects</td>
<td>9.0</td>
<td>16.4</td>
<td>9.0</td>
<td>40.3</td>
<td>25.4</td>
<td>3.567</td>
<td>1.281</td>
</tr>
<tr>
<td>Civil society organisations are actively involved in local projects as civic educators, intermediaries and partners</td>
<td>3.0</td>
<td>9.1</td>
<td>6.1</td>
<td>51.5</td>
<td>30.3</td>
<td>3.969</td>
<td>1.007</td>
</tr>
</tbody>
</table>
Table 4.6 above shows the extent to which the respondent agreed with the statement of the researcher on the effects of stakeholders' participation on projects implementation. The findings show that the respondent agreed that effective stakeholders involvement is enhanced through site and mobilization meetings (M=4.104, SD=1.031), conflicts between the implementing agency and local community over choice of contractor affects implementation (M=4.044, SD=1.021), undue influence by political leaders with vested interest affect efficiency especially in the implementation of CDF and LATF projects (M=3.567, SD=1.281), civil society organizations are actively involved in local projects as civil educators, intermediaries and partners (M=3.969, SD=1.007), stringent donor regulations on projects funds may reduce transparency because payments are made outside project sites (M=3.393, SD=1.226), and effective stakeholders management promotes effective projects implementation and sustainability (M=3.820, SD=1.086)

4.7 Effects of Procurements Contract Logistics on Project Implementation

The researcher sought to establish the effects of contact logistics on projects implementation, the results are presented in table 4.7 below

Table 4.7 Effects of Procurements Contract Logistics on Project Implementation

<table>
<thead>
<tr>
<th>Effects of Contract Logistics</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy workload on the part of the project manager leading to delays in completion due to poor project control and coordination.</td>
<td>7.6</td>
<td>24.2</td>
<td>21.2</td>
<td>34.8</td>
<td>12.1</td>
<td>3.197</td>
<td>1.166</td>
</tr>
</tbody>
</table>
Table 4.7 shows the extent to which respondent agreed or disagreed with the researcher’s statement concerning the effects of contract logistics on project implementation. From the findings the respondent agreed that heavy workload on the project manager causes delays in completion due to poor control and coordination (M=3.197, SD=1.166), inadequate M&E capacity to check project progress and issue alerts in case of delays or poor quality (M=4.000, SD=0.887), if the works to be included cannot be technically or economically separated from the contract due to emerging customer needs (M=4.179, SD=0.952), and changing donor conditionalities on fund management and payment modalities affect contract management (M=4.104, SD=1.116). However they disagreed that slow dispute and appeals resolution mechanism affects projects completion timelines (M=2.955, SD=1.319).

4.8 Other Reasons for Delays in Projects Implementation

The researcher wanted to establish other elements or factors which may affect project implementation in the opinion of the respondents. This was an open ended section of the
questionnaire and was least responded to by the respondents (33.33%) hence falls below the acceptable data analysis response rates of 70%, Babbie (2002). However those who responded mentioned the following three factors: need to relocate existing infrastructure like power and water lines, resistance by private developers to pave way for public projects due to low compensation rates and delay in releasing compensation funds, and donor influence on contract procurement.
CHAPTER FIVE
DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction
This chapter presents the discussion of key data findings, conclusion drawn from the findings highlighted and recommendation made thereof. The conclusion and recommendation drawn were focused on addressing the purpose of this study which was to examine the effects of the elements of public project procurement practices on project implementation. The specific objectives of the study were to determine how procurement procedures, affect project implementation to examine how project procurement risks affects projects implementation to examine how project logistics affect project implementation and to assess how stakeholder participation affect project implementation.

5.2. Discussion of Key Findings

The researcher targeted a population of 48 HODs from 11 sector working groups out of which 43 responses were obtained. This represented an 89.58% response rate. In this study the majority of the respondents were between 35-45 years of age (62.79%) and male (55.81%). This study also realized that majority of the projects were ESP projects and costed between 6m-10m.

5.2.1 Effects of Procurement Procedure on Project Implementation

On the effects of procurements the study found out that most of the projects had standard bill of qualities and were procured using open tender. Further the projects evaluation criteria were objective and observed most of the procurement procedures. These findings are in agreement with Ogot et al (2009), that project procurement in Kenya is increasing become more systematic and efficient following the enact of the PP&D 2005 and regulations 2006. They further give that the purpose of the act was to improve the procurement system in order to facilitate fast and quality procurement of goods, services and contracts.
5.2.2. Effects of Cost Estimation on Project Implementation.

On the effects of the cost estimation on project implementation the study found out that most projects used priced bill of qualities as well as available funds to the cost and evaluating bids. The study also revealed that lack of standard costing guidelines for similar projects in different parts of the country leads to cost exaggeration. The study further revealed that diversion of funds to other to other projects due to political influence lead to stalled projects cost variation. The study further found out that delayed release of funds by the financiers may lead to cost escalation, time overruns on stalled projects is due to optimum procurement and timely implementation.

These findings concur with Owegi and Aligula who opines that cost estimation and value for money. This therefore means that that the project cost is not about the lowest bid but the need to balance price and quality consideration with other cost incurred during a project life cycle.

5.2.3 Effects of Procurement Risks in Project Implementation

On the effects of procurement risks on projects on project implementation the study established that the project risks like floods, labour strikes, power shortage fuel shortage disrupts the pace of implementation. The study also revealed that fraud and corrupt practices in project management causes loss of funds and undue delays in project completion. The study further found out that legal, political and economical uncertainties like new laws, leadership and economic slump disrupts pace of project implementation and reshuffling procurement officers reduce prevalence of corruption and minimize uncertainties.

These findings are in random with the World Bank (2003) view that project could be minimized through clear legal procurement guidelines and having experienced procurement and implementation agents. This therefore means that project risks are best mitigated through targeted measures that will minimize the effects of natural phenomena.
like floods as well as minimize the chances of occurrence of other risks like power shortage and fuel shortage.

5.2.4 Effects of Stakeholders Participation on Project Implementation

On the effects of stakeholders' participation on project implementation the study found out that effective stakeholders involvement and through site and mobilization meetings promotes effective projects implementation and sustainability. The study also revealed that conflicts between the implementing agency and local stakeholders community over the choice of contractors affects implementation, while civil society organization (CSOs) are actively involved in local projects as civil education, intermediaries and partners. The study further revealed that undue influence by political leaders with vested interest affects project implementation especially in CDF and LATF projects where they seem to possess immense powers.

These findings are in agreement with IFAD (2010), guidelines on implementation on funded projects, which observed that stakeholders interests poses challenges of aspiration (expectations) and role conflict. Thus there is need to clearly define the role of each stakeholders before project inception to determine the extent of their participation either as partners in funding or enablers. This therefore implies that it is important to carry out a thorough stakeholder analysis for every project to determine their interest, influence and level of involvement.

5.2.5 Effects of Procurement Contract Logistics on Project Implementation

On the effects of procurement contract logistics on project implementation, the study revealed that heavy workload on the part of the project manager causes delays in completion due to poor project control and coordination while inadequate M&E capacity to check project progress and issue alerts leads to delays or poor quality projects. The study further revealed that contract variation is only necessary if the works to be included cannot be technically or economically separated from the contract due to emerging customer needs. Whereas, changing donor conditionalities on fund management and payment modalities affect contract management.
5.3 Conclusion
From the discussion of the findings, the study concluded that project procurement procedures affects project implementation. Project implementation delayed due to long procurement procedures and that emergency procurement will lead to unprocedural procurement process.

On the effects of cost estimation on project implementation, lack of standard costing guidelines for similar projects lead to cost exaggeration, while diversion of funds to other projects due to political favouritism will cause projects to stall. The study further concluded that inflation and adverse change in the exchange rate may necessitate project cost variation, while delayed release of funds by financiers may lead to cost escalation, time overruns and stalled projects. In relation to effective cost control is due to optimum procurement and timely implementation.

The study concerning the effects of projects procurement risks on project implementation concluded that projects risks like floods, labour strikes, power shortage and fuel shortage disrupts the pace of project implementation. Also fraudulent and corrupt practices in project management cause loss of funds and undue delays in project completion. The study further concluded that legal, political and economical uncertainties like new laws, leadership and economical slum disrupts the pace of projects implementation and that reshuffling of procurement officers will reduce the prevalence of corruption and minimize uncertainties.

On the effects of stakeholder's participation on project implementation the study established that effective stakeholder's involvement through site and a mobilization meeting promotes effective projects implementation and sustainability. Further the study concluded that conflicts between the implementing agency and local community over the choice of contractors affects implementation, while civil society organization are actively involved in local projects as civil educators intermediaries and partners. Also undue political influence due to vested interests affects projects implementation especially in CDF and LATF projects.

The study also established on the effects of contract logistics, that there is inadequate M&E capacity to check progress and issue alerts in case of delays or poor quality
whereas on fund management and payment modalities affects projects contract management. Also heavy workload on projects managers causes delays in completion due to poor project control and coordination

5.4 Recommendations

Based on the conclusion of the findings the following recommendations were made, first there should be a strong linkage between the project management systems in the public sector. Secondly, cost estimation by the quality surveyors and accountants should be standardized and be on project by project basis to avoid diversion of funds. Thirdly, the government in collaboration with donors should put in place risk. Fourthly, there is need for effective stakeholders involvement in all stages of project cycle to promote effective and efficient project implementation and sustainability finally, more project managers should be hire in order to improve project control, coordination and M*E to ensure timely project completion.

5.5 Recommendations for further studies

This study was carried out in Kericho district. It is recommended that similar studies should be carried out in other parts of the country in order to develop a more comprehensive understanding of the effects of elements of public procurement practices on projects implementation in Kenya. Further study can be done on the role of civil society organization in public projects implementation. The study also recommends further study on the effectiveness of projects risk mitigation measures in public projects implementation in Kenya.
BIBLIOGRAPHY


IFAD, (2006), *Project Procurement Guidelines*, IFAD, Rome Italy


The Asian-Development Bank/OECD, *C urbing Corruption in Public Procurement in Asia and the Pacific; Progress and Challenges in 25 Countries Asian*

The CIPs study Guides, (2003), *Business Analysis; in Purchasing and Supply*, Middle Sex University Press.


*The Journal of Public Procurement*, Volume 1, Issue 1, 71-95 2001


APPENDIX I:
LETTER TO RESPONDENTS

Kipkemoi Samuel Langat
Kenyatta University
School of Business

Dear respondent,
I am a master's student in business administration at Kenyatta University; I am currently carrying out a research on the elements of procurement practices affecting project implementation in the public sector in Kenya. I therefore request you to fill the attached questionnaire to facilitate data collection for research.

This research is purely academic hence all the information given, shall be treated confidentially, you are encouraged to be candid as much as possible in your response to the questions below. Thank you for your response to this research.

Yours faithfully

Kipkemoi S. Langat
MBA STUDENT
Kenyatta University
Appendix II

QUESTIONNAIRE

Section A: General Profile of the Project(s) and Implementer

a). Personal data: Age 25-35 □ 35-45 □ 45+ □
b). Gender: male □ female □
c). Nature of project: construction □ ICT project □ empowerment project □ ESP project □ others: .............................................
e). Project Size: Less than 1m □ 1m- 5m □ 6m- 10m □ over 10m □

SECTION B: Effects of Procurement Procedure on Project Implementation

1. Did you have a standard bill of quantities for your project? Yes □ No □
2. Was the project procured by: Open □ Quotation □ Prequalification? Direct sourcing □ others: .............................................
3. In your view was the evaluation criterion:
   a) Objective, or
   b) Subjective?
4. Did the procurement document indicate the procedure and time frame? Yes □ No □
5. Indicate (√) or (x) whether the following procedures were strictly followed

<table>
<thead>
<tr>
<th>Procurement Procedures</th>
<th>Yes (√)</th>
<th>No (X)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition of need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Call for bids</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evaluation of bids</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Award of tender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract signing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Site handing over</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6. Indicate either 1-Strongly Disagree, 2- Disagree, 3- No Opinion, 4- Agree, 5- Strongly Agree against the following reasons for unprocedural procurement, and their effects in your organization.

<table>
<thead>
<tr>
<th>Procurement procedures and their effects</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Case of emergency procurement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Small projects.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Time factor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Classified or security project</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Collusion with bidders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 High quality product that is relevant to needs of the user</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Delayed project implementation due to long procedures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Section C: Effects of Cost Estimation on Project implementation

7. Was a priced bills of quantities opened during tender opening to be used in tender evaluation?

Yes  □  No.  □

8. If No. what was used to evaluate the tender?  Bid prices □ Available funds □
Others: ........................................................................................................

9. Indicate either 1-Strongly Disagree, 2- Disagree, 3- No Opinion, 4- Agree, 5- Strongly Agree against the following effects of procurement on project cost computation and funds.
### Elements of project costs and funds

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lack of standard costing guidelines for similar projects in different parts of the country leading to cost exaggeration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Fair project prices which bring value for money due to competition</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Diversion of funds to other projects or areas because of political favouritism leading to stalled projects.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Contract cost variation due to under pricing in order to win the contract</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Inflation and adverse changes in the exchange rate may necessitate project cost variation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Delayed release of funds by financiers may lead to cost escalation, time overruns or stalled projects.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Effective Cost control in projects is due to optimum procurement and timely implementation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Section D: effects of procurement risks

10. Indicate either 1-Strongly Disagree, 2- Disagree, 3- No Opinion, 4- Agree, 5- Strongly Agree against the following effects of project procurement risks on project implementation.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Project risks like floods, strikes, and power outages and fuel shortage which disrupts the pace of project implementation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Fraud and corrupt practices in project management causing undue delays in project completion and loose of project funds.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Legal, political and economic uncertainties like new laws, leadership and economic slum disrupt the</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

56
pace of project implementation.

4 Reshuffling of procurement officers reduce prevalence of corruption and minimize uncertainties

5 Risks can be mitigated through spreading them between the client and contractor proportionately based on their capacity to absorb them.

Section E: Effects Of Stakeholder Participation On Project Implementation

11. Indicate either 1-Strongly Disagree, 2- Disagree, 3- No Opinion, 4- Agree, 5- Strongly Agree against the following effects of stakeholder facilitation.

<table>
<thead>
<tr>
<th>Effects of stakeholder participation on project implementation</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Effective Stakeholder involvement is enhanced true site and mobilisation meetings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Conflicts between implementing agency and local community over choice of contractor affects implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Undue influence by political leaders with vested interests affect project efficiency especially in CDF and LATF projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Civil society organisations are actively involved in local projects as civic educators, intermediaries and partners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Stringent donor regulation on project funds may reduce transparency because payments are made in their headquarters which often are outside project sites</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Effective stakeholder management promotes effective implementation and sustainability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Section F: Effects of Procurement Contract Logistics on Project Implementation

12. Indicate either 1-Strongly Disagree, 2- Disagree, 3- No Opinion, 4- Agree, 5- Strongly Agree against the following effects of procurement contract logistics

<table>
<thead>
<tr>
<th>Effects of Contract Logistics</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Heavy workload on the part of the project manager leading to delays in completion due to poor project control and coordination.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Inadequate M&amp;E capacity to check project progress and issue alerts in case of delays or poor quality.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Slow dispute and appeals resolution mechanisms which affect project completion timelines.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. If the works to be included cannot be technically or economically separated from the contract due to emerging customer needs.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Changing donor conditionalities on fund management and payment modalities affect contract management.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

13. State other reasons for delay in project implementation.

1. 

2. 

3. 

4. 

5. 

6. 

# END #. Thank you for your kind response.