



FACTORS AFFECTING PROCUREMENT OF GOODS IN GOVERNMENT MINISTRIES CASE OF THE NATIONAL TREASURY

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ABSTRACT

Procurement in the Government ministries in Kenya has passed through many stages and made various strides to enhance its operations so that members and the general public are benefiting in a broad perspective. Although the government has been involved in streamlining the procurement system in government ministries, it is marred by inefficiencies. The study was meant to investigate the factors affecting procurement of goods in government ministries a case study of The National Treasury. The study looked at the past literature on the procurement effectiveness with emphasis in the government ministries. The research used simple stratified sampling and the target population was 450 personnel from various departments at The National Treasury and the sample size was 45. This was 10% of the target population. The study used primary data as its source of information and questionnaires as the main instrument of data collection. The data was analyzed using qualitative and quantitative techniques, SPSS version 20 was used. Presentation of data was done using tables, pie charts and frequency distribution tables. From the findings, the study found out that government policies had a significant strong positive correlation with procurement of goods in Government Ministries. Increasing levels of government policies by a unit would increase the levels of procurement of goods by 0.920. The study sought to find out the extent to which procurement procedures affected procurement of goods in Government Ministries. From the findings, majority of the respondents rated procurement procedures factors such as procurement procedures, procurement rules, contract management and tendering guidelines as influencing procurement of goods in Government Ministries to a great extent. The study concludes that procurement of goods in the government ministries was affected by capital availability followed by government structure, government policy and then procurement procedures. The researcher recommended that budget process be streamlined, decentralized and hybrid structure should be adopted, supply chain management staff should be trained regularly and procurement procedures should be well monitored. In addition research in the field of procurement of goods in Africa and particularly in Kenya was of great importance and further research was required.

Key Words: Procurement Procedures, Government Policy, Capital Availability, Government Structure, Procurement of Goods

Background of the Study.

Procurement means ‘the purchase of the proper materials, machinery, equipment and supplies for stores used in the manufacture of a product adopted to marketing in the proper quality and quantity at the proper time and at the lowest price, consistent with quality desired.’ Thus, purchasing is an operation of market exploration to procure goods and services of desired quality, quantity at lowest price and at the desired time. Suppliers who can provide standard items at the competitive price are selected. Procurement in an enterprise has now become a specialized function. It was experienced that by giving the purchase responsibility to a specialist, the firm can obtain greater economies in procurement. Moreover purchasing involves more than 50% of capital expenditure budgeted by the firm. The importance of procurement function in an organization cannot be underestimated and therefore should never be taken for granted, as it is an integral department which ensures better performance in an organization. Supplies management and purchasing are often times used interchangeably; although supply management covers a more extended scope of operations. (Bailey, 2008).

Procurement is a managerial activity that goes beyond the simple act of buying. It includes research and development for the proper selection of materials and sources, follow-up to ensure timely delivery; inspection to ensure both quantity and quality; to control traffic, receiving, storekeeping and accounting operations related to purchases. The modern thinking is that Purchasing is a strategic managerial function and any negligence will ultimately result into decrease in profits (Bailey, 2008).

Procurement is the first phase of Materials Management. Purchasing means procurement of

goods and services from some external agencies. The object of procurement department is to arrange the supply of materials, spare parts and services or semi-finished goods, required by the organization to produce the desired product, from some agency or source outside the organization. The procured items should be of specified quality in desired quantity available at the prescribed time at a competitive price. Purchasing is the procuring of materials, supplies, machines, tools and services required for equipment, maintenance, and operation of a manufacturing plant (Bailey, 2008).

Global perspective on Procurement of goods in public organizations

Public procurement is the process whereby public sector organizations acquire goods, services and works from third parties. It includes much that supports the work of government and ranges from routine items (e.g. stationery, temporary office staff, furniture or printed forms), to complex spend areas (e.g. construction, Private Finance Initiative projects, aircraft carriers or support to major change initiatives). It also includes a growing spend where the private and third sectors provide key services directly to citizens in areas such as welfare-to-work, further education, social care and health. Such services may also be provided by the public sector directly, and in some cases even this public provision can be handled through procurement mechanisms. A public body may bid for government work against private sector firms through a formal competitive process (Kihara, 2009).

Effective public procurement is essential for good public services and good government. The public sector in the UK spends well over £150 billion a year on the goods and services necessary to deliver public services. Government must apply the highest professional standards when it spends this money on behalf of taxpayers, to ensure it gets a good deal and to provide appropriate and necessary goods

and services to the quality required to meet user needs. The procurement process spans a life cycle from identification of the need, through the selection of suppliers, to post-contract award management, including disposal. There is a duty on procurers in central government to apply the key principles of public procurement. These require the delivery of value for money (VFM), appropriate quality and service to meet business needs, and appropriate governance (ie, adherence to HM Treasury rules concerning the use of public money in procurement) as described in Managing Public Money. Public sector procurement is governed by the UK regulations that implement the EU procurement directives. These apply to the majority of procurements with a total value over a specified threshold. Procurements which are below threshold are not covered by the UK regulations, but are still subject to EU Treaty principles. This is described in more detail in the Policy and Standards Framework. In many countries government expenditure through public procurement activities represent 50% or more on the gross national product GDP. Public procurement activities may operate within political system that conduct government business with varying degrees of flexibility or rigidity that may be based solely upon the national interest or the self-interest of certain government officials. Many public procurement activities suffer from neglect, lack directions, poor coordination, lack of open competitions and transparency, differing levels of corruption and most importantly not having a cadre of trained and qualified procurement specialist who are competent to conduct and manage such procurement, timely and cost effective manner. Procurement has evolved over the years and is widely used as purchasing and now a day involves the acquisition of goods or services in a rightful and legal manner. It is therefore important that the whole process of purchasing be carried out properly and in an ethical manner following the procedures

and the policies laid down by several entities (Kihara, 2009).

Local Perspective on Procurement of goods in public organizations.

Public procurement is the buying of goods and services on behalf of a public authority, such as a government agency. Governments spend public monies to secure inputs and resources to achieve their objectives and by doing so, create significant impact on key stakeholders and wider society. In addition, government purchasing impacts both domestic and international trade given that governments spend approximately 10 to 15 percent of their GDP in the procurement marketplace. Hence, public procurement plays a significant role in the global economy. In public procurement the goals of fairness, competition and economic value are paramount. To achieve these goals, effective and efficient procurement processes must be established. This includes incorporating adequate controls to promote competition and minimize the risk of fraud, corruption, waste, and the mismanagement of public funds. In this context, transparency is considered to be one of the most effective tools to deter corruption and ensure value for money. Transparency in procurement takes form in a variety of practices, such as: publishing procurement policies; advance publication of procurement plans; advertisement of tender notices; disclosure of evaluation criteria in solicitation documents; publication of contract awards and prices paid; establishing appropriate and timely complaint/ protest/dispute mechanisms; implementing financial and conflict of interest disclosure requirements for public procurement officials; and publishing supplier sanction lists (Pidaparathi ,2006).

Transparency is considered to be a prerequisite for ensuring the accountability of public officials. In this

regard, there is broad agreement that the effectiveness of transparency can be further strengthened by empowering monitoring and oversight organizations within civil society to scrutinize procurement, as they can play an important role as watchdogs for public sector integrity

Such oversight practices could be effective in raising questions on a timely basis, reducing risks in complex contracts, strengthening procurement and contracting practices, holding public officials accountable and in general, strengthening governance. This aspect of transparency is a new frontier for procurement and there is still much to learn about the 'ways and means' necessary to develop and implement procurement regimes that include civil society monitoring. The articles to follow look at transparency in procurement from a wide range of angles, and are written by experts from academia, governments, the private sector, the United Nations and more.

As with all interesting and complex debates, the authors do not always agree on the methods needed in their quest for the perfect procurement system. However as experts in their fields, the points they raise are well-informed, thought-provoking and worthy of further discussion (Pidaparthi, 2006).

According to (Weele, 1994) procurement is obtaining from external sources all goods and services which are necessary for maintaining and managing the company's primary activity and support them at the most favorable conditions. The Kenyan government has been involved in streamlining the procurement of goods system in the government ministries for a long time. The system is marred by inefficiencies that cost the Kenyan economy lots of billion annually. This study aims at understanding the factor factors affecting effective procurement of goods in

government ministries. The public procurement reform in Kenyan has been going on since 1997 started as a joint initiative by the Kenyan government and the World Bank. The procurement audits carried out on Kenyans public procurement system at that time disclosed serious shortcomings ranging from inefficiency to lack of sound and transparent legal framework (Thai, 2004).

The government decided to review and reform the existing procurement system with a view to enhancing efficiency, economy, accountability and transparency in public procurement using a homegrown review. The government developed and put in place appropriate public procurement regulations, which were published as legal notice no. 51; the exchequer and audit public procurement regulations, dated 30th march, 2001 and the amendment reforms of the same in 2002.

Profile of the National Treasury

The National Treasury derives its mandate from the constitution of Kenya; Cap VII sections 99-103 which provides for proper budgetary and expenditure management of government financial resources. In addition, Parliament, over the years has enacted 50 Acts in addition the recently introduced VAT bill to which The National Treasury is a custodian thereby adding more responsibilities to the Ministry.

The functions of the National Treasury are strategic in several ways. As a main function, The National Treasury is charged with the responsibility of formulating financial and economic policies. It is also responsible for developing and maintaining sound fiscal and monetary policies that facilitate socio-economic development. This responsibility makes the Ministry strategic and central to the country's economic management, as all sectors of economy look upon the Ministry to create an

enabling environment in which they can operate effectively and efficiently. The National Treasury regulates the financial sector which is central to the development of the country and on which all other sectors depend for investment resources.

Another strategic responsibility of the Ministry is the management of revenues, expenditures and borrowing by the government. The National Treasury must ensure that it mobilizes adequate resources to support government programs and activities. Consequently, the Ministry has the task of developing sound fiscal policies that ensure sustainable budget deficits. In addition the Ministry must ensure that government expenditure is within the revenue collected to reduce domestic borrowing, which tends to cause negative ripple in economic management.

The Ministry is also strategic as far as bilateral and multilateral development financing and technical assistance is concerned. Given the need for support from development partners to enhance the country's economic recovery and poverty reduction efforts, the performance of The National Treasury in effectively coordinating this support cannot be underscored. The Ministry must therefore, provide direction in the identification, planning and management of donor support to ensure that it is targeted to those areas of the economy that need it most.

Effective Procurement Practices

Effective public procurement systems are systems that are defined as offering a high level of transparency, accountability and value for money in the application of a procurement budget. They are critical to poverty reduction and AID effectiveness. Hence, all parties in the development process must have a vested interest in promoting this critical pillar of good governance: and to do so, in the context of an open macro-economic framework that promotes open competition, the free functioning of markets and the allocation of

resources based on comparative advantages (Cox 2007). A study by Wanyama (2010) revealed that many public training institutions lose huge amounts of funds annually as result of implementation of ineffective procurement practices which are not in tandem with the public and disposal regulations. Mugo (2011) notes that low level of compliance with procurement regulations, lack of transparency and accountability of procurement funds lowers the level of effectiveness in procurement practices in public training institutions. Mugo (2011) established that the major factors that determine the extent to which effective procurement practices are employed in tertiary public training institutions in Kenya include; the level of compliance with procurement regulations, minimization of procurement expenditure, transparency and accountability of procurement funds and quality of procured goods and services. Velnampy (2010) conducted a study on evaluation of factors influencing effective procurement management system of public sector organizations. The study found that low level of compliance with procurement regulations and lack of high degree of transparency and accountability hinder execution of effective procurement practices. Muindi's (2014) study on factors influencing public procurement under free primary education programme in Kenya with reference to Machakos County revealed that staff training technology, supplier management relations and the organizational structure affect implementation of effective procurement practices in many public schools. A study by Wanjiru (2014) on the effects of records management on the efficiency of procurement function in an 64 organization revealed that poor record management practices affect procurement efficiency in organizations to a great extent. The study recommends that the firms adequate controls should be put in place by introduction of electronic data management software for managing records in liaison with these both internal and external

stakeholders should be connected to the electronic data software for transparency and efficiency.

Statement of the Problem

An effective procurement function is important to any organization that wants to succeed in today's competitive business world. Most organizations have not been able to successfully operationalize their procurement function (Koskey, 2011). Procurement of goods in the public sector differs from the private sector in several ways. First, government procurement systems administer the money that belongs to tax payers. In addition, the number of customers and the suppliers of the government procurement are often excessively large. Further, the public sector must follow a set of procurement procedures and regulations bringing legislative requirements into force. (Basheka, 2008)

Kenya has lost more than Kes 475 billion to dubious procurement deals in the last decade (Transparency International report, 2005) and the next decade would be worse if actions are not taken. The need for reform thus becomes urgent as the local business community has complained that inefficiencies in government ministries procurement were contributing to an unsuitable business environment. According to (Thai, 2004) there are common strategies. The overall strategy of improving public procurement reforms has rotated around instilling the principles of good governance in the public sector. Improved accountability, transparency, legislative frameworks and addressing corruption are among the much needed strategies for improving government ministries performance through procurement reforms. However, there are other factors to be put into consideration but for the purposes of research the researcher will dwell around four factors. Which are public procurement procedures, government policies on procurement, capital availability and government structure. Implementing public

procurement reforms has not yet been seriously planned and lacks effective coordinated processes (RoK, 2008a).

It is estimated that 30% of the public spending budget is lost either misappropriated through corruption or poorly negotiated contracts, setting high prices on the quotations so that they can get a share on what the supplier is to be paid (Kamau 2010) if only 20% of this were to be properly utilized, the savings in public spending would be some 5-6 billion per year.

Amid the poverty and development challenges that the country is experiencing uncoordinated public procurement does not yield benefits. Political commitment and will is a critical factor in the reform of public sector procurement as elected politicians and senior management can assure best results by ensuring they understand the process within their own organizations/ministry/departments and by providing leadership and constructive challenge. A well-functioning government ministry should balance the policy, efficiency, and process objectives public procurement. This has not been the case in Kenya's government ministries. This study aims at documenting the factors affecting procurement of goods in government ministries. The National Treasury has not fully attained its expectation in enhancing effectiveness in its procurement functions. Therefore, the study aimed at establishing factors affecting procurement of goods in government ministries and in particular The National Treasury.

The general Objective:

To find out the factors affecting procurement of goods in government ministries.

Specific Objectives

- (i) To establish the influence of government policy on procurement of goods in government ministries.

- (ii) To assess how Procurement procedures facilitate procurement of goods in Government Ministries.
- (iii) To determine the effect of capital on procurement of goods in government ministries.
- (iv) To determine how government structures regulate procurement of goods in government ministries.

LITERATURE REVIEW

In this chapter the researcher reviewed various literature related to the specific study both from the various journals in public procurement and from The National Treasury manuals and record documents.

Theoretical framework

A theory includes a set of basic assumptions and axioms as the foundation and the body of the theory is composed of logically interrelated, empirically verifiable propositions.

Resource Dependency Theory

According to resource dependence theory (RDT), organizations seek to reduce uncertainty and manage dependence by purposely structuring their exchange relationships, establishing formal and semiformal linkages with other firms. Through interdependence, organizations can synergistically combine their own resource sets with the complementary resources of their partners and thus develop a resource bundle that is unique and hard to imitate (Harrison *et al.*, 2001). By cultivating such relationship-specific capabilities that become superior to what the organizations may possess on their own firms can obtain sustainable competitive advantage and improved procurement performance (Sambharya & Banerji, 2006; Paulraj & Chen, 2007).

In this aspect, RDT is a relevant theory to procurement because it can help elaborate

organization environment boundary spanning activities, implying that a single organization can hardly achieve sustainable growth. Therefore, organizations need to depend on the buyer-supplier relationship which helps improve cooperation and coordination among supply chain members (Dyer, 2000).

Resource dependence concerns more than the external organizations that provide, distribute, finance, and compete with a firm. Although executive decisions have more individual weight than non-executive decisions, in aggregate the latter have greater organizational impact. Managers throughout the organization understand their success is tied to customer demand. Managers' careers thrive when customer demand expands. Thus customers are the ultimate resource on which companies depend. Although this seems obvious in terms of revenue, it is actually organizational incentives that make management see customers as a resource.

Resource dependence theory effects on nonprofit sector have been studied and debated in recent times. Scholars have argued that Resource dependence theory is one of the main reasons nonprofit organizations have become more commercialized in recent times. With less government grants and resources being used for social services, contract competition between private and nonprofit sector has increased and led to nonprofit organizations using marketization techniques used mainly in the private sector to compete for resources to maintain their organizations livelihood. Scholars have argued that the marketization of the nonprofit sector will lead to a decrease of quality in services provided by nonprofit organizations. (Paulraj & Chen, 2007).

Sustainability Theory

Sustainability means meeting the needs of the current generations without compromising the ability of future generations to meet theirs. It seeks to promote appropriate development in order to alleviate poverty while still preserving the ecological health of the landscape. Sustainability works to understand the connections between environment, economy and the society. In 2000, the World Bank published *The Quality of Growth*, advocating a broadening of the growth framework to a complementary agenda involves key quality aspects in the structural, human, social, and environmental dimensions of sustained growth, emphasizing a more equitable investment in people, and the need to sustain natural capital, dealing with global financial risks, improving governance and controlling corruption. The World Business Council for Sustainable

Development Report (2005), creating business value and accountability, restates the need to increase accountability and change the business approach to sustainable development.

Accountability and value creation must be made mutually reinforcing throughout any enterprise, integrating sustainable development amongst all areas of business practice, rather than creating a 'specialist silo.' Although not specific policy responses, the two reports suggest a change in the policy outlook of international institutions (WBCSD, 2005).

According to a research report from the Economist Intelligence Unit by ExxonMobil (2011), there is growing importance of corporate sustainability in enabling companies to compete and to attract customers. Business both impacts and relies on the availability and health of our natural resources. In recognizing this connection and protecting wildlife habitat and biodiversity in and around their operations the survey claims that the adoption of sustainable practices does not cause companies' share prices to rise. It could be that companies with a strong financial performance simply have more

resources to devote to sustainability. What the findings do show, however, is that it is possible to take a proactive position on social and environmental issues while still delivering robust financial growth. Understanding the full life cycle of their operations is important to operating in an environmentally sustainable manner and involves four key steps:

Assessing the surroundings; Designing the facilities and operations; Operating with integrity and Restoring the environment.

Agency theory

The agency theory was promoted with the seminal works of Max Weber (Beckert, and Zafirovski, 2006). The classic view of agency theory –as develop by the works of Max Weber and others– was mostly concerned with the conflict of interest between the political master and state officials. This view was built on the foundation of the neoclassical view of organization that views organizations as black boxes of operations, where the “relationship between performance and incentives” was overlooked (Beckert, and Zafirovski, 2006). New institutionalism view of organizations opened the black box of organizational operations and paved the way for the contemporary view of agency theory. In the old institutionalism view, opportunistic behavior based on the rational system view was dominant. However, the new institutionalism view of the organizations, promotes the delegation of responsibilities and operation, through an open system view towards the environment the agency theory –from either classical or neoclassical perspectives– provides contributions to the understanding of supply chain management. Agency theory has been applied to various activities associated supply chain management including, outsourcing (Logan, 2000; Loebbecke and Huyskens, 2009), sourcing (Shook, Adams, Ketchen and Craighead 2009), and supply chain collaboration (Kwon and Suh, 2004).

Conceptual framework

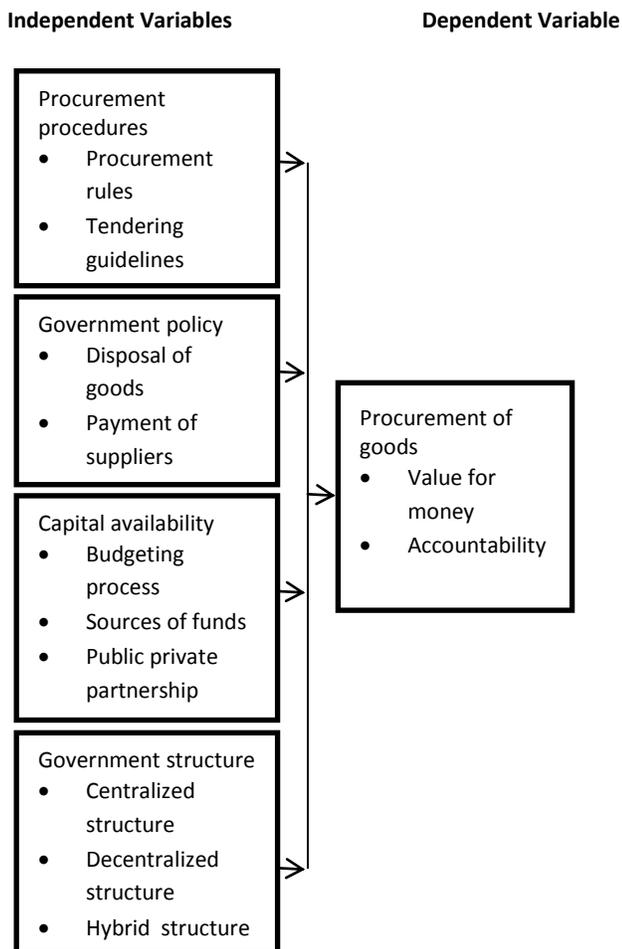


Figure 1 conceptual framework,

Procurement procedures

This refers to the various methods that can be applied to procure goods and services in the public sector. The procedures are laid down in various papers in the public sector but their application can either lead to success or failure of the entire procurement process. Procurement is a systematic process of obtaining goods and services with pricing and on terms and conditions in the State's best interests. Competition should be involved in the procurement process to the maximum extent practicable, with the caveat that a non-competitive process (e.g., informal solicitations, emergency purchases, sole source, etc.) is sometimes necessary

under the circumstances. The procedures set forth in this section shall apply to all procurements of goods or services, irrespective of procurement method involved. The foregoing notwithstanding, procurement professionals should use sound judgment in following the guidance contained in this Manual as not every procedure will fit every circumstance a procurement professional faces in procuring goods or services (Akech 2005).

Government policy on procurement

The government of Kenya has introduced regulations governing the public procurement process. The policies are relevant for all public institution and were introduced as part of reforms to enhance the procurement process in the government as well as reduce inefficiencies and losses of public funds. On 18th June 2013 the Cabinet Secretary for the National Treasury published the Public Procurement Preference & Reservations Amendment Regulations (2013).

The objective of these regulations is to accord the youth and other disadvantaged groups in Kenya preference in the supply of goods and services to the government. This is in line with one of the key promises of the Jubilee government to give the youth, persons with disability (PWDS) and women at least 30 percent of all supply contracts to the government. (Jodie, 2004)

The significance of these regulations is that the National Treasury and all the Treasuries in the 47 county governments shall be required to register and maintain a database for all Small or Micro-Enterprises (SME) or disadvantaged groups that wish to participate in public procurement. The regulations also seek to favor local businesses by granting exclusive preference to local contractors who supply motor vehicles, electrical goods, furniture and other items which are fully assembled or manufactured in Kenya. Road works and

electrical installations of below Sh1 billion, other public works of below Kes500 million and supply of goods and services of below Kes100 million and Kes50 million respectively are now exclusively reserved for Kenyans.

Capital availability

The public procurement process has been known to engage a large amount of public funds which are sourced from different sources including taxes grants from partners and world bank loans meant for certain government projects. Accountability and transparency are therefore very necessary in this part.

Governments around the world may define "capital" in different ways. Capital spending is generally about physical assets with a useful life of more than one year. But it also includes capital improvements or the rehabilitation of physical assets that enhance or extend the useful life of the asset (as distinct from repair or maintenance, which assures that the asset is functional for its planned life). The public procurement process has been known to engage a large amount of public funds which are sourced from different sources including taxes grants from partners and world bank loans meant for certain government projects. Accountability and transparency are therefore very necessary in this part. Project bankability/viability and access to funding are the most common challenges facing public procurement department. In the Kenyan context various development projects proposed by the different ministries undergo major review and scrutiny to determine their viability and importance due to the limited capital availability. Sectors with the highest budget allocations mostly are transport, energy and health while the other ministries have to cope with limited capital funds allocated to their procurement departments which have a negative effect to their performance (Jodie, 2004).

In order to address this issue, African countries must overcome the obstacles of inadequate funding by engaging in Public Private Partnership (PPP) to benefit from private funding. However, weak project planning in the developing countries, characterized by limited capacity to identify technically feasible and economically viable programmers and projects, remains among the greatest challenges to securing private funding. Many countries lack capacity and skills to prepare project feasibilities and take projects through to procurement. Lack of transparency and sound governance practices, coupled with protracted procurement processes, reduce investor appetite. Few African countries have a viable structured PPP programme that supports both a structured process and a well-regulated system. This is necessary to provide more certainty and reduce risks for long-term investors. Funding models are gradually changing in Africa, in Kenya the government is engaging in strategic partnerships with private investors to facilitate developments in the transport and education sectors which has increased procurement performance in this ministry.

Government structure in relation to procurement

The government has reformed to ensure that the individual involved in the procurement process are adequately trained and that procurement structures are in place so that the process is competitive, effective and efficient. Public procurement departments face the challenge of achieving efficiency while containing their own function's operating costs. A common approach to achieve these (often conflicting) goals is to revisit the procurement organization structure. By restructuring staffing models, reporting relationships, productivity measures, and even the scope of the function, procurement heads aim to coax higher levels of performance from their function without increasing resource commitment.

Procurement structures can be divided into centralized, decentralized and hybrid structures. The ministry departments in Kenya have centralized or hybrid structure which combines key features of both centralized and decentralized structures. Despite their growing prevalence, center-led procurement departments are being out-performed by their centralized and decentralized counterparts in the county government departments, suggesting a false compromise in the center-led structure. Center-led (or "hybrid") procurement structure lag behind centralized and decentralized models across a range of procurement performance indicators-cost savings, functional costs, and spend coverage and compliance. In theory, hybrid structures capture the benefits of both "pure form" models, balancing top-down strategy development with increased business alignment and more effective execution. In practice, however, the greater complexity of hybrid structures often results in poorly defined roles and responsibilities, unclear decision rights and coordination difficulties. To avoid these pitfalls, procurement executives in center-led model must carefully define how decisions will be made and conflicts resolved, striving to enfranchise all stakeholders in the process. Ideally, decisions should be grounded in economic and financial principles, to eliminate as much of the organizational "politics" as possible (Jodie, 2004)

Literature Review of Past Studies

Procurement of goods procedures in the government ministries

According to Akech (2005), public procurement often constitutes the largest domestic market in developing countries. Depending on how it is managed, the public procurement system can thus contribute to the economic development of these countries. Indeed, public procurement is the principal means through which government meet

developmental needs such as the provision of physical infrastructures and the supply of essential medicines. Again, many government use public procurement to support the development of domestic industries, overcome regional economic imbalances, and support minority or disadvantaged communities. Because the deployment of the public procurement system to pursue these development goals entails governmental exercise of enormous discretion, public procurement is often an extremely controversial subject matter. This is especially the case in developing countries where "the ability to exercise discretion in the award of government contracts has been a source of valued political patronage" and procurement has been "a means for the illicit transfer of funds from government to private hands."

According to Morse (2010), the public sector spends \$220 billion a year on goods and services given the potential to make significant savings, it is vital that there is much better coordination of procurement activities to ensure value for money is secured across the public sector."

According to Odhiambo and Kamau (2003) the bulk of corrupt practices in Kenya have occurred in public procurement. The explanation for this state of affairs is to be found in the political dynamics of the state and its role in the economy. Government ministries procurement constitutes the principle instrument for exercising political patronage, a practice that is especially prevalent in Kenya and other African countries since there are very few means of economic advancement outside of the state. The way political patronage works is that governments, which tend to be unpopular, ensure that only their narrowly-drawn and often ethnic constituents have access to public resources, such as lucrative public procurement contracts. Public resources are therefore a means through which these governments can purchase legitimacy and remain in power.

According to The National Treasury in the 1st national public procurement consultative meeting in May 2004, corruption in public procurement in Kenya was facilitated by opaque and unaccountable regulations. Until the early 1970s, public procurement in Kenya was largely undertaken by the British firm crown agents, since local supplies were inadequate and most of the needs on the new government could only be met from external sources. Thereafter, the government established supplies offices within its ministries and departments, and appointed supplies officers to take charge of procurement. These supplies offices procured for their ministries and departments. At the same time, the government established a central tender board, which was in charge of procurements beyond certain amount. The ministry of finance was given overall responsibility for regulating public procurement. In exercising this responsibility, it issued regulations and guidelines in the form of circulars to the ministries and other public agencies from time to time. Public sector procurement can be broadly divided into categories: Project specific procurement in the instance of project specific procurement, goods, works or services sought for a particular initiative (e.g. a new road, a hospital, plant and equipment). General consumable procurement relates to items that are required for a ministry or authority to perform its duties (e.g. fuel, stationary, vehicle parts, road maintenance and security).

Impact of government policy on the procurement of goods process

According to Odhiambo and Kamau (2003) a sound public procurement system should emphasize four principles, namely competition, publicity, use of commercial criteria and transparency. The principle of competitions means that contracts should be awarded by holding competitions between a numbers of contractors to establish which can offer

the most favorable terms for delivering governments requirements. Competitions not only ensures that government obtains value for money but is also important in maintaining the integrity of public procurement, since it is an effective means of achieving the transparency which prevents abuse of discretion. From an economy perspective, competition ensures that government obtains goods and services that are appropriate to its requirements from contractors with the requisite financial and technical capability on the best possible terms.

There is a danger, however, that rules established to promote competitions in public procurement may be counterproductive thus government agencies that purchase complex equipment do not often get what they need. Because of open competition rules, government are for example forbidden from consulting potential suppliers informally before contracting in order to tell them what they really need. Were governments allowed to do so, it would be easier for the potential suppliers to work with corrupt government officials to rig specifications to produce a contract for a particular supplier. Thus public law values that emphasize transparency and accountability may result in government not obtaining value of money. By contrast, the normal practice in private industry, which is not constrained by considerations of transparency, is to have continuous liaisons between buyers and sellers. Proposals that have been offered to limit the counterproductive effects or open completions in public procurement included a requirement of written decisions justifying procurement decision, making of procurement decision through multiple members such as comments they include ministerial procurement committees and ministerial tender committees, evaluation panels, peer control in the decision making process and subsequent oversight

of decision rationales, and recording or ex parte or informal contacts.

According to Akech (2005) following the recommendations of a team of consultants, the KANU government enacted the exchequer and audit (public procurement) regulations in 2001. The team of consultants recommended the establishment of legal framework for public procurements. Because the team realized that it would take a long time for such a law to be enacted due to lack of support in government circles for a stringent procurement system, it recommended the promulgation of procurement regulations under the exchequer and audit act, which empowered the ministry for finance to manage the consolidated fund and regulate all matters relating to the government financial affairs. In particular, the exchequer and audit act empowered the ministry to make regulations governing public procurement.

Procurement Policies

Procurement policies are rules and regulations for governing procurement procedures in an organization. A properly designed and implemented procurement policy plays a pivotal role in providing a guiding framework for the implementation of effective procurement practices. The employed procurement policies in government training institutions do not provide a framework for supporting implementation of effective procurement practices. (Bartik 2009)

Impact of capital on the government ministries procurement of goods process

According to Turban and Vie (2008), carrying out procurement efficiently under bank financed projects such as the central bank of Kenya is critical to good project implementation, to the attainment of the objectives of the projects and to their sustainability. Equally, the bank as part of its developmental role is interested in strengthening

the capacity of its borrowers to administer procurement in an effective and transparent way as part of sound governance and good project management. In this context, project, project teams are required as an integral part of project preparation and appraisal, to make an assessment of the capacity of the project implementation agency or project implementation unit to administer procurement.

According to Taylor and Todd (1995) the capacity review includes an assessment of the capacity of the agency to carry out the different phases of procurement. The assessment should look into the organizational aspects, skills of the staff, quality and adequacy of supporting and control systems, and suitability of the laws, rules and regulations applicable to the agency.

According to Venkatesh (2000) a key aspect of procurement assessment is the analysis of risks in the procurement process. This analysis should include the risks in all areas covered by the assessment and is closely related to the transparency and predictability of the agency's implementation of the procurement process. The review should look at the record of the ministries in handling procurement in general and bank financed procurement in particular. The CPAR, which addresses the general risk environmental in the country, may be of guidance. Of particular relevance is the consistency of application of the written rules and procedures in practice. A key input in this review is the opinion and perception of private sectors parties, especially consultants, supplies and contractors working for the agency, both national and foreign.

Key actors in the private sector business community dealing with the institution should culminate with a rating of the procurement risks as high, average, or low and is a key in the determination of the supervision approach to be recommended. The risk assessment requires

considerable professional judgment and there are no precise instructions or steps leading to a clear cut overall assessment. Moreover, different ministries may present weaknesses in the same areas but with varying degrees of severity. In general, an institution showing severe deficiencies in key areas covered by the assessment should fall into the high risk category, and one showing satisfactory ratings in most of them should be in the average risk zone. Only those showing good or better ratings in all areas should be rated as low risk.

According to the estimations of ministries procurement in most countries in Africa, where Kenya is now an exception, provide a number of conceptual as well as technical problems. Conceptually, the composition of the entity called public cases the term refers to the central and local governments only. However, it is extended in some countries to include government owned enterprises servicing the public such as telecommunication, roads and water finance and education ministries. Technically, problems arise due to lack of data and sometimes the manner in which it is kept and recorded. The authority in charge of ministries procurement does not keep ministry procurement data in Kenya. This calls for decentralization system of data processing and storage but with accountability systems. In the absence of procurement information, ministries procurement can be estimated using public expenditures figures. In principle, government expenditure need to be netted out of these figures as they are not contestable and therefore do not qualify as public procurement. These included expenditure on social security pension transfers interests on public debt, salaries of public sector employees, purchase of military materials and subsidies.

In the recent past ministries performance had been characterized with laxity, corrupt practices. Lack of transparency, lack of efficiency and un effective in services delivery to the public, private sector,

political class and development partners had lost confidence in the performance of the public sector. This led to an outcry among all these parties for serious and comprehensive reforms in the public sector. One of the areas in which reforms was constantly agitated was ministry procurement process. Some of the factors which triggered public procurement reforms are public outcry on the procurement of public materials and services, increase in corruption practices or unethical practices in public procurement, delay by buying department to provided items and services on time, increase in cost of procurement caused by obsolescence of the purchasing items and exaggerated costs of purchased costs of purchased items. This public outcry led the government to enact the public procurement and disposal act (2005) and regulations (2006). The purpose of the legislation of the act is to promote transparency, accountability, efficiency, effectiveness and cost effective measures of public sector performance thereby ensuring that quality and value for money service delivery is made to the public. The World Bank has its own set of procurement guidelines governing the procurement of goods and works under contracts financed by the bank in its member countries.

The four considerations that guide the bank procurement guidelines are the need for economy and efficiency, giving eligible bidders an equal opportunity to compete for banks financed contracts, encouraging the development of domestic contracting and manufacturing industries in the borrowing country and the importance of transparency in the procurement process. The underlying theme common to procurement laws in general is the need to promote economy and efficiency as well as appropriate standards of transparency and accountability, while curbing abuse (Lewa, 2006).

Government structures impact on procurement of goods procedure.

Efficiency in government procurement is an important issue in cases where public procurement Accounts for a large portion of economy activity. Government procurement ranges from eight to ten percent of the gross domestic product of major OECD countries, and this share is even larger in developing countries. Ensuring transparency in the procurement procedure is an essential determinant of efficiency, as it enhances the competitiveness of public procurement. Opaque and often engender the relationship between government officials and contractors. This can result in a substantial loss in the government budget as the government has to pay an excessive amount of money so that they award contracts to undeserving suppliers (linarelli, 2003).

(Gadde and Hakansson, 2001) found out that the procurement departments capacity and competence have great consequences for the efficiency of the company. Procurement is significant for the company's profitability because of the large volume that it stands for.

Every organization needs to give procurement its relevant importance and ensure there is qualified, professional staff with the appropriate level of seniority and influence. According to John Cleland, he argues that the reforms in the public procurement of Scotland include factors such as: procurement policies to address corporate and social responsibility, placing authority to procure with qualified procurement officers and ensure no commitment is made without authority. Introducing of chapter for suppliers to the public sector, publication of procurement policy handbook, and establishment of public procurement reform board to oversee implementation.

(Webbs,2007) undertook an evaluation in Ghana, Tanzania, India and Malawi on four areas of World Bank public sector support programs in developing countries administration and civil service reform, public expenditure analysis and expenditure, revenue administration and anti- corruption. The

result of the evaluation is that adequate personnel are not available, trained, paid: enough information technology is not in place and no inter-ministerial cooperation to reduce costs.

(Nkinga,2003) in the study of public procurement reform; the Tanzania experience noted that the sustainability of the public procurement act no. 3 of 2001 is at risk because there is not a clear understanding in the ministries and local government authorities as to its full potential as a financial and budgetary control mechanism. Further training is required in the ministries, local authorities especially at the managerial and elected members' level. Unless the public procurement act no 3 of 2001 is seen as an advantage, rather than a threat, by the accounting officers' senior management and elected members, it will not be sustained.

Currently virtually no body is employed as a procurement expert in the public procurement sector. There are a number of purchasing and supplies officers, engineers, architects, quantity surveyors and the like who are employed to carry out the procurement functions. Procurement is not held in high regard in the country and therefore not considered a profession. Virtually training in practical aspects of procurement has been undertaken. The training received by supplies/procurement staff in the ministries is inadequate and is geared towards low- level purchase by requisition and three quotations but totally inadequate for high level and well organized procurement. This coupled with the use of the old public procurement system and practices, has led to a wide variance in performance (Nkinga, 2003). HOAP (2008) in Tanzania found evidence of potential weakness that included shortage of procurement professionals.

RESEARCH DESIGN AND METHODOLOGY

This chapter presents the methodology used to carry out the study.

Research Design

Research design is a guideline of how one goes about answering the research questions that clearly defines purpose, and has consistency between the research questions and the proposed research method (Sekaran, 2010). The study adopted descriptive research design to explore factors affecting procurement of goods in government ministries. (Mugenda&Mugenda, 2003).

Target population

The target population for this research study is 450 respondents drawn from The National Treasury procurement department and other departments such as Administration, Public Procurement Policy Department and stores department. The sample population in the study was set at 45 employees.

Sample Design and Procedure

The researcher used the simple stratified sampling since this involved grouping respondents into strata because the target groups are from different departments.

Data Collection Instrument and procedure

The primary data was collected by use of questionnaires that were administered by the researcher himself. Secondary literature review data for the research was collected by reviewing textbooks, journals, articles.

Data Analysis and Presentations

Data analysis procedure included the process of packaging the collected information, putting it in order and structuring its main components in a way that the findings were easily and effectively communicated. Statistical package for social science

(SPSS) Version 20 was used as the main tool for data analysis.

Multiple Regression analysis

The researcher further adopted a multiple regression model at 5 percent level of significance and 95 percent level of confidence to establish the direction of the association between the independent variables and the dependent variable. In this case, the regression equation was expressed as

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon \dots\dots\dots$$

(i)

Where:

Y= procurement of goods

β_0 = coefficient of intercept

X1= procurement procedure

X2 = government policy

X3= capital availability

X4= government structure

ϵ =error term

$\beta_1 \dots \beta_4$ = regression coefficients of the independent variables

RESEARCH FINDINGS AND DISCUSSION

This chapter is a presentation of the research findings where frequency tables, bar graphs and pie charts were used as per the study objectives.

Response rate

Response rate refers to the extent to which the final data sets includes all sample members and is calculated as the number of respondents with whom interviews are completed and divided by the total number of respondents in the entire sample including non-respondents (Orodho, 2009). The data was collected from the management and staff of The National Treasury. The sample of the study consisted of 45 respondents. Out of 45 respondents the questionnaires were filled and returned by 36 respondents translating to a response rate of 80%.

Respondents Respective Departments

The study further sought to establish the respondents departments in order to determine if the respondents were from the key departments concerned with the execution of supply chain management functions. Based on the study findings, a majority of 27.8% respondents were from Procurement Department, 22.2% were from StoresDepartment, 19.4% were from Finance Department, 16.7% from Human Resources Department and 13.9% were from Administration Department.

Education Level of the Respondents

It was established that up to 44.4% had Bachelor's education level, 22.2% had Diploma education level, 16.7% had Certificate education level, 13.9% had Master's education level and 2.8% had Doctorate education level. These findings implied that most of the respondents were qualified to understand the nature of the study problem.

Working Experience of the Respondents

Most of the respondents 44.4% had worked for 5-10 years, 27.8% of the respondents indicated they had worked for 3-5 years, 11.1% had worked for 1-3 years and over 10 years whereas only 5.6% of the respondents indicated they had worked for less than a year, this is an indication that respondents were in the organization for a good period of time.

To assess knowledge concerning procurement of goods in government ministries

The study sought to assess the respondent's knowledge concerning procurement of goods in government ministries. The study found out that a large percentage of 81% had knowledge concerning procurement of goods while a percentage of 19% had no knowledge.

Government Policies on Public Procurement

To determine whether government policies on procurement have an impact on procurement of goods in Government Ministries

The study sought to establish the extent of agreement or disagreement with statements on whether government policies on procurement have an impact on procurement of goods in Government Ministries. From the findings 94.4% of the respondents agreed with the statement whereas 5.6% of the respondents were of the contrary opinion.

Extent of agreement of statements on government policies that affect procurement of goods in Government Ministries

The study sought to find out how government policies statements affect effective procurement of goods in government ministries. The study findings showed that most respondents agreed that payment of suppliers affect procurement of goods.

Procurement procedures

Extent of agreement of statements on Procurement procedures that affect procurement of goods in Government Ministries

The study sought to determine the extent which procurement procedures affect procurement of goods in Government Ministries. Based on the study findings, most respondents agreed the ministry believes that tendering guidelineswith a mean of 4.7778 and a standard deviation of 0.54043; procurement procedureswith a mean of 4.7122 and a standard deviation of 0.53033; procurement ruleswith a mean of 4.6333 and a standard deviation of 0.51021 and that contract managementwith a mean of 4.3333 and a standard deviation of 0.82808affect procurement of goods in Government Ministries

Capital Availability

Capital Availability towards procurement of goods in Government Ministries

The study sought to establish the extent of agreement or disagreement with statements on capital Availability towards procurement of goods in Government Ministries. From the findings the most of respondents were of the view that source of funds affect procurement of goods in Government Ministries to a very high extent.

Government Structure

Government Structure towards procurement of goods in Government Ministries

The study sought to determine the extent which government structure affected procurement of goods in Government Ministries. Based on the study findings, most respondents agreed the ministry believes that the hybrid structure affect procurement of goods in Government Ministries.

Regression analysis

A multiple regression model was fitted to determine whether independent variables notably, X_1 = procurement procedure, X_2 = government policy, X_3 = capital availability and X_4 = government structures simultaneously affected the dependent variable Y = procurement of goods. As a result, this subsection examines whether the multiple regression equation can be used to explain the

nature of the relationship that exists between the independent variables and the dependent variable.

The multiple regression model was of the form:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where,

Y = procurement of goods

β_0 = constant (coefficient of intercept)

X_1 = procurement procedure

X_2 = government policy

X_3 = capital availability

X_4 = government structure

$B_1 \dots B_4$ = regression coefficient of four variables.

According to the findings in the Table 1, the value of adjusted R^2 is 0.999. This indicates that there was a variation of 99.9 % of procurement of goods in the government ministries due to the four independent variables at a confidence level of 95%. In addition other factors that were not studied in this research contribute to 0.1% of procurement of goods in the government ministries in Kenya. The remaining 0.1% of variation in procurement of goods in the government ministries can be explained by other variables not included in this model. This shows that the model has a good fit since the value is above 80%. This concurs with Orodho (2009) that R-squared is always between 0 and 100%: 0% indicates that the model explains none of the variability of the response data around its mean and 100% indicates that the model explains the variability of the response data around its mean. In general, the higher the R-squared, the better the model fits the data.

Table 1: Regression Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
1.000 ^a	.999	.999	.257

The study further used Analysis of Variance (ANOVA) in order to test the significance of the overall regression model. Kothari (2004) posit that

Analysis of Variance helps in determining the significance of relationship between the research variables. The results of Analysis of Variance

(ANOVA) for regression coefficients in Table 2 reveals that the significance of the F statistics is 0.000 which is less than 0.05 and the value of F (12687.642) being significant at 0.00 confidence level. The value of F is large enough to conclude

that the set coefficients of the independent variables are not jointly equal to zero. This implies that at least one of the independent variables has an effect on the dependent variable.

Table 2: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	3356.505	4	839.126	12687.642	.007 ^b
Residual	2.050	31	.066		
Total	3358.556	35			

The regression equation becomes:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

$$Y = 0.646 + 0.920X_1 + 0.864X_2 + 1.237X_3 + 1.188X_4$$

Taking all independent variables constant at zero, procurement of goods in the government ministries will be 0.646. The data findings also showed that taking all other independent variables at zero, a unit increase in the capital availability will lead to a 1.237 increase in the procurement of goods in the

government ministries, a unit increase in the government structure will lead to a 1.188 increase in the procurement of goods in the government ministries, a unit increase in procurement procedures will lead to a 0.864 increase in the procurement of goods in the government ministries while a unit increase in government policy will lead to a 0.920 increase in procurement of goods in the government ministries.

Table 3: Coefficients of Overall Regression model

Model	B Coefficients	Std. Error	t	Sig.
(Constant)	.646	.598	1.081	.288
Government policy	.920	.093	9.890	.000
Procurement procedures	.864	.075	11.553	.000
Capital availability	1.237	.072	17.071	.000
Government structure	1.188	.068	17.391	.000

Therefore capital availability contributes more to the procurement of goods in the government ministries. At 5% level of significance and 95% level of confidence; capital availability showed a 0.000 level of significant; government structure showed a 0.000 level of significant; procurement procedures showed a 0.000 level of significant and government

policy showed a 0.000 level of significant. The study findings indicate that the independent variables coefficients X_1 , X_2 , X_3 and X_4 are less than 0.05 which implies that the coefficients are significant at 0.05 level of significance. This shows that capital availability, government structure, procurement procedures and government policy has a significant

positive influence on procurement of goods in the government ministries (See Table 3).

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter discusses the summary of the key findings along the study objectives and the corresponding hypothesis. It then draws conclusions based on these findings and discussions are put forth for the recommendations of the study based on both policy and practice. Finally, the chapter presents the study limitations and recommendations for further areas of research.

Summary of the Findings

Government Policies

The study sought to establish how government policies affect procurement of goods in Government Ministries. From the findings, the study found out that government policies have a significant strong positive correlation with procurement of goods in Government Ministries. Increasing levels of government policies by a unit would increase the levels of procurement of goods by 0.920. On overall, a high percentage of the respondents rated all government policies factors which included disposal of goods, payment of suppliers and purchasing policy as influencing procurement of goods to a large extent.

Procurement Procedures

The study sought to find out the extent to which procurement procedures affected procurement of goods in Government Ministries. From the findings, majority of the respondents rated procurement procedures factors such as procurement procedures, procurement rules, contract management and tendering guidelines as influencing procurement of goods in Government Ministries to a great extent.

Capital Availability

The study sought to establish how capital availability affects procurement of goods in Government Ministries. Based on the study findings capital availability factors such as budgeting process, emerging public private partnership, source of funds and government interference influenced procurement of goods in Government Ministries to a large extent.

Government Structure

The study sought to find how government structures affect procurement of goods in Government Ministries. The study findings showed that government structures factors notably; centralized structure, decentralized structure and hybrid structure to a large extent influenced procurement of goods in Government Ministries. From the findings, the study also found out that government structures had a significant strong positive correlation with procurement of goods. Increasing levels of government structures by a unit would increase the levels of procurement of goods by 1.188. This indicates that there exists a strong positive relationship between government structures and procurement of goods in Government Ministries.

Conclusions

The study concludes procurement of goods in the government ministries is affected by capital availability followed by government structure, government policy and then procurement procedures. The regression model of the study shows that capital availability has a significant influence on procurement of goods in the government ministries. This implies that increasing levels of capital availability by a unit would conversely increase the levels of procurement of goods in the government ministries. Based on the study findings capital availability factors such as budgeting process, emerging public private

partnership, source of funds and government interference influenced procurement of goods in Government Ministries to a large extent. Government structure is the second important factors that affect procurement of goods. The regression model of the study shows that government structure has a significant influence on procurement of goods. Increasing levels of government structure by a unit would conversely increase the levels of procurement of goods in the government ministries by the same measure. The study findings showed that government structures factors notably; centralized structure, decentralized structure and hybrid structure to a large extent influenced procurement of goods in Government Ministries. The study also concludes that government policy is the third important factor that affects procurement of goods in the government ministries. The regression model of the study shows that government policy has a significant influence on procurement of goods. Increasing levels of government policy by a unit would conversely increase the levels of procurement of goods in the government ministries by the same measure. On overall, a high percentage of the respondents rated all government policies factors which included disposal of goods, payment of suppliers and purchasing policy as influencing procurement of goods to a large extent. Finally, the study concludes that procurement procedures are the fourth factor which affects procurement of goods in the government ministries. From the findings, majority of the respondents rated procurement procedures factors such as procurement procedures, procurement rules, contract management and tendering guidelines as influencing procurement of goods in Government Ministries to a great extent.

Recommendations

The study recommends that the budgeting process should be streamlined and the funds prudently

appropriated in the various ministries to ensure seamless procurement of goods and services. In the scenarios where the budget is not enough in a particular government ministry the study recommends the ministry to engage and venture into public private partnerships to source for funds or support.

The study also recommends that the government should intervene in large ministry projects where budget funds would not suffice by engaging in strategic alliances with other government for financial and technical support. Procurement of goods in the government ministries is hindered by the government structures which are centralized.

The study recommends the ministries to review their structures to decentralize and hybrid structures so as to remove bureaucracies in the procurement processes which impact negatively to procurement performance.

The study recommends the government ministry staff in the supply chain management departments to be trained on the procurement regulations and policies to enhance the procurement of goods and services. Finally, efficient and effective procurement of goods and services in the government ministries cannot be achieved without adherence to procurement procedures in the procurement processes.

The study recommends that procurement procedures such as requisition, tendering, evaluation, contract management and administration and inspection should be well monitored and reviewed periodically to facilitate procurement of goods and services in the government ministries in Kenya.

Government policies enforcement will ensure that procurement practices in regard to the policies are responsive to aspirations, expectations and needs of the target groups. The trend of

globalization has a significant influence on how a domestic business shapes their strategy to compete with foreign forces. Government policies and regulations have greatly influenced the flow of business activities and operations.

Areas for further research

The study is a milestone for further research in the field of procurement of goods in Africa and particularly in Kenya. The findings emphasized on the factors affecting procurement of goods in

government ministries in Kenya, which are capital availability, government structure, government policy and procurement procedures in the government ministries in Kenya. As a future avenue of research, there is need to undertake similar research in other institutions in Kenya and other countries in order to establish whether the explored factors can be generalized to affect procurement of goods.

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