# PROCUREMENT PRACTICES INFLUENCING SERVICE DELIVERY: A CASE OF KENYA POWER

#### **Maurice James Davis**

**ABSTRACT**: In developing countries, public procurement is increasingly recognized as essential in service delivery and it accounts for huge proportion of total expenditures. However, there is a growing recognition that, despite significant increases in resource, public service delivery is falling in many developing countries. Poor service delivery of electricity can be justified by ineffective procurement systems within an organization. The purpose of this study is to evaluate procurement practices influencing service delivery in the public sector with focus on the provision of electricity: A case study of Kenya Power. The study is based on the socio-economic and institutional theories. The objectives of the study; to establish the influence of procurement policy on service delivery, to evaluate how procurement planning influence service delivery, and to evaluate sustainable procurement practices influence on service delivery. Methodology used in the study is a case study with a focus on Kenya power. Stratified sampling technique was used to select a representative sample from a target population of 160 employees with a sample size of 100 respondents. The respond rate is 71%. A mixture of Interview and Likert- Scale questionnaire were employed. The collected data was further analyzed using SPSS and excel computer software as well as descriptive statistics. The findings revealed that: Procurement rule and regulation lack flexibility and it is hampering the procurements operations as revealed by 77.5%; Procurement planning does not take long term cost of ownership into consideration as also revealed by 39.4%; the findings also revealed 59.1% agreed that there is no Sustainable procurement practice by the company even though it has Green policy in places but, the implementation is hampered by organizational culture as well as budgetary constraint. The followings are major Recommendations: The National procurement policy or rules and regulations should be review to put into place clauses that will lead to flexibility and inclusion of emerging trends in the procurement process as procurement is an involving profession; The top management should ensure that the procurement departments are involved in all procurement and contract related activities as a result of the decentralize nature of the company's procurement system; The planning process for electricity expansion should involve all concern departments so that planning can be done in advance before budgets are approved; Government should increase it subsidy to the company's operation; The company should include sustainable procurement criteria within its procurement and contracting decisions.

**KEYWORDS:** Service Delivery, Electricity, Procurement Policy, Procurement Planning, Sustainable Procurement Practice

Oboth (2001) noted that in as far as the Local Government Act, the constitution and any other statutes that are studied, there is no definition of the phrase (service delivery) either deliberately or ignorantly. However he said, Service is a system or arrangement that supplies public needs, whereas delivery is periodic performance of a service. Therefore service delivery is a system or arrangement of periodical performance of supplying public needs. Helmsing (1995) in his study defines service delivery as a deliberate obligatory decision by the elected or appointed officials to serve or deliver goods and services to the recipients. In most countries, electricity has been regarded as a public service since the middle of the 20th century. A majority of developing countries have now adopted universal access to electricity as a development objective. Adequate and reliable supplies of electricity have been a principal focus of national energy (Dubash, 2002; Victor and Heller; 2007). Electricity is in demand not for itself but for what it enables people to do. Practical Action (2010) identifies different kinds of essential energy service that electricity can be used to provide: lighting; cooking and heating; space heating; cooling; education; health; information and communications; and earning a living. In order to be able to use electric power for these services, equipment or appliances are necessary, as well as a supply of electricity. It is the latter, however, that is regarded as the public service, and in this paper our focus. Worldwide, 1.3 billion people have no access to electricity, and another 1 billion have only an intermittent supply (IEA, 2011). The great majority of those without access live in Sub-Saharan Africa and South Asia. In Europe and North America, electricity supplies reach almost everyone, but in Sub-Saharan Africa only 30% of the population has access. Rates of improvement in terms of expanding access and delivering inclusive electricity services also vary. Vietnam, for example, increased its electrification rate from less than 10% to 98% over three decades. Ghana increased the proportion of the total population with access to electricity from 45% in 2005 to 72% in 2010, and is aiming for universal access by 2020. In some countries, however, there has been very little progress and, under business as usual scenarios, there will still be 1.4 billion globally without electricity by 2030 (IEA, 2011).

Among those who do have access to an electricity service, consumption of electricity is correlated with income. Low-income households tend to consume a minimum amount of electricity (for lighting), and are prepared to pay for this, but beyond this minimum their demand is highly price-elastic (ESMAP 2002a). Connection charges and tariffs can be a barrier to access for low-income households even when an electricity supply is physically available. Barriers to expanding access to electricity have been broadly categorized as financial and economic; capacity and technical; and policy and institutional (Practical Action, 2010; Sovacool, 2012; Watson *et al.*, 2012). The first of these include high costs of investment and operation (and the affordability of tariffs), access to investment finance and the effectiveness of cost recovery mechanisms. In the second category are technical and managerial capacities to design, install and operate electricity systems, and the efficiency of the technologies deployed. The third category includes the adequacy of the policy framework and the effectiveness of institutions responsible for implementing policy (Jain, 2006).

Even though no MDG refers to energy explicitly, improved energy services including modern cooking fuels, improved cookstoves, increased sustainable biomass production, and expanded access to electricity and mechanical power are necessary for meeting all the Goals. The link between energy services and poverty reduction was explicitly identified by the World Summit on Sustainable Development (WSSD) in the Johannesburg Plan of Implementation (JPOI), which called for the international community to: "Take joint actions and improve efforts to work together at all levels to improve access to reliable and affordable energy services for sustainable development sufficient to facilitate the achievement of the MDGs, including the Goal of halving the proportion of people in poverty by 2015, and as a means to generate other important services that mitigate poverty, bearing in mind that access to energy facilitates the eradication of poverty" (ESMAP 2002a).

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An estimated 23 per cent of Kenyans have access to grid electricity (ROK, 2011), and the majority of these reside in urban areas; only 3 per cent of rural Kenyans have access to electricity (MENR, 2005). This limited access is one factor contributing to Kenya's relatively low per capita incomes and consumption of electricity (World Bank, 2010), compared with other countries in Africa. A second factor is the higher cost of electricity compared with that found in neighboring countries (Karekezi *et al.*, 2008). Collectively, Kenya's electricity supply is 1,429 megawatts "under normal hydrology," while demand is currently 1,191 megawatts, leaving a small margin (ROK, 2011). Demand is rising significantly due to population growth and economic expansion (ROK, 2011). Peak load for electricity is projected to increase to 2,500 megawatts by 2015 and 15,000 megawatts by 2030 (ROK, 2011). To meet this demand, the country is expected to need installed capacity for electricity production of 19,169 megawatts by 2030 (ROK, 2011).

Droughts and declines in rainfall also directly influence the electricity sector, as they lower reservoir levels, reducing hydropower production and resulting in load-shedding (ROK, 2011). During the 1999–2000 drought, for example, reduced industrial productivity caused in part by less access to electricity resulted in Kenya's GDP declining by 0.6 per cent in 2000 compared with the previous year. The Kenya Power and Lighting Company's revenue dropped by KES 4.1 billion or US\$20 million (GOK, 2010; Kandji, 2006; Mogaka *et al.*, 2006). Power cuts have since become an annual occurrence (Mutimba *et al.*, 2010). As hydropower generation has become increasingly unreliable, the proportion of Kenya's electricity produced via expensive thermal power plants has increased, leading to higher prices for consumers. Drought also influences the traditional energy sector, as people's reduced capacity to purchase kerosene and electricity leads to greater demand for charcoal and fuelwood (Mogaka *et al.*, 2006). The loss of industrial production and higher energy prices caused by drought has historically resulted in greater economic costs than has resource degradation (Dyszynski *et al.*, 2009).

Kenya power (KP) is a public company listed in the Nairobi Stock Exchange (NSE). KPLC is the sole company responsible to procure, transmit, and to distribute electricity throughout Kenya (www.kplc.co.ke). KP headquarters are at Stima Plaza, Kolobot Road in Parklands, Nairobi; it operates many offices throughout Kenya (www.kplc.co.ke). In order to achieve its objectives, KP will require a proper procurement policy, planning and sustainable procurement practice. Procurement is the key ingredients that are use by any institutions to get output or service delivery (Basheka & Bisangabasaija, 2010). Bearing in mind that procurement is key to service delivery (Basheka & Bisangabasaija, 2010) and account for 60% in Kenya (Akech, 2005) and that the lack of electricity is link to poverty reduction (ESMAP 2002a). The main goal of all energy transformations is to provide energy services that improve quality of life (e.g. health, life expectancy and comfort) and productivity (Hall *et al.*, 2004). Energy supply is intimately tied in with development in the broad sense (IEA, 2006b).

Poor service delivery of electricity can be justified by ineffective procurement systems within an organization. Schooner and Whiteman, (2000) assert that the contribution of procurement policy in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries (Whiteman, 2000). Thai (2009) started that a sound public procurement system needs to have good procurement laws and regulations. Procurement laws and regulations lead to procurement efficiency or inefficiency. Ideally, procurement laws and regulations should be clear, consistent, comprehensive, and flexible (Thai, 2009). Thai (2009) stated that, different from public procurement regulations and rules, the legal environment refers to a broad legal framework that

Published by European Centre for Research Training and Development UK (www.eajournals.org) governs all business activities. This aspect addresses the issues of; research and development, manufacturing, finance, marketing, personal, and contract terms and law.

On the other hand, Procurement planning is a factor influencing service delivery. Mullins (2003) asserts that the contribution of procurement planning in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries. A sound procurement system has to have a competent professional workforce equipped with defined skills and knowledge for specified procurement jobs (OECD-DAC, 2006). Creating a procurement workforce with the right skills and capabilities can be a challenge, given changes to procurement processes, the introduction or expansion of alternative contracting approaches, and increased reliance on services provided by the private sector (Government Accountability Office, 2005).

Furthermore, the importance of procurement reform in almost all country's settings can be demonstrated based on its scale and role in terms of service delivery. The amount of money wasted by existing practices, reduced competition, higher prices due to market perceptions of risk, as well as the demonstrated ability of countries to capture enormous savings through concerted efforts to strengthen their procurement function (Harmonizing Donor Practices for Effective Aid Delivery, 1999). In many developing countries, governments do not have the financial and technical capacity to effectively exercise such oversight and control functions, track and report on allocation, disbursement and use of financial resources (Smee, 2002). In light of environmental degradation, climate change, resource depletion, and persistent global poverty, the supply chain management profession is increasingly called upon to contribute to broader organizational goals of sustainable development through the inclusion of social and environmental criteria within procurement processes (Srivastava, 2007; Preuss, 2009). Green public procurement (GPP) is becoming a cornerstone of environmental policies around the world (Tukker et al., 2008). The potential environmental benefit that could be obtained if environmental requirements were systematically included in public tenders is rather clear and measurable (Parikka-Alhola, 2008).

Consequently, this study has identified limited gap in existing empirical literature as it relates to service delivery addressing procurement related issues in the electricity sector. It is against this background that the research aims to fill this gap by evaluating procurement practices influencing service delivery: A case study of Kenya Power.

#### **Statement of the Problem**

In developing countries, public procurement is increasingly recognized as essential in service delivery (Basheka & Bisangabasaiji, 2010), and it accounts for a high proportion of total expenditure. By understanding the steps involved with procurement, it is possible to get better understanding of real cost involved with attaining any goods and services (Bailey *et al.*, 2004). The importance of public organizations as entity designed to serve the public, along with the imperative for accountability, makes studying the problem associated with the public sector essential (Trionfetti, 2000). Kenya central government procurement has been rapidly increasing. Procurement activities grew from 5.8 percent in 2001/2002 to 23.6 percent in 2007/2008 (PPOA, 2009). However, Leni *et al.* (2012) noted that there is a growing recognition that, despite significant increases in resources, public service delivery is still falling in many developing countries (Leni *et al.*, 2012). Consequently, procurement practices such as, procurement policy, procurement planning as well as sustainable procurement issues are factors that may offer part of the explanation. Access to electricity and mechanical power are

necessary for meeting all of the MDGs goals (ESMAP, 2002). Furthermore, 77% of Kenyans lack access to electricity and the 23% with access only 3% with access are in rural part of the country where majority of poor are found (MENR, 2005). The lack of access to electricity has forced many to depend on traditional sources (Coal, woods, farm residue, Kerosene, etc) all of which have serious health implications, environmental impact and economic declaim (hall *et al.*, 2004). Bearing in mind that access to electricity is essential to socio-economic, industrial and most importantly, poverty reduction (ESMAP, 2002a).

However, effective procurement policy and implementation are the bedrock to achieving value for money within both private and public sector entity. Policy for the purposes of this study refers to procurement policy, planning and incorporation of sustainable procurement practices. Procurement practices are evolving and require effective and efficiency policy and implementation. Obviously, Public Sector procurement spent accounts for huge percentage of total budget; this is so due to the magnitude of procurement categories being procured. This entails that the procurement practices be streamlined. Service delivery can only be effective and efficient when processes and systems are well in place and follow accordingly. Unfortunately, in most developing countries, the procurement processes are bypassed or being looked at as insignificant. As a result, implementation becomes a nightmare. The issue of service delivery is very much evolving and requires adequate policy, planning and implementation. The major objective of service delivery in the public sector is to meet the satisfaction of the citizenry, thus meeting the socio-economic objective of the country to a larger extend. There is limited empirical literature on procurement practices influencing service delivery especially so with the electricity sector in developing countries. This study therefore fills this gap by evaluating procurement practices influencing service delivery: A case study of Kenya Power.

# **Objective**

## **General Objectives**

The purpose of this study is to evaluate Procurement Practices Influencing Service Delivery: A Case Study of Kenya.

## **Specific Objectives**

- 1. To establish the influence of procurement policy on service delivery.
- 2. To evaluate how procurement planning influence service delivery.
- 3. To evaluate sustainable procurement practice influence on service delivery.

## **Research questions**

- 1. To what extent does procurement policy influence service delivery?
- 2. What role does procurement planning plays in the achievement of effective and efficient service delivery?
- 3. Does sustainable procurement practice influence the provision of service delivery?

#### Justification

This study is significant since indeed its main purpose is to add to the existing body of knowledge by filling the research gap in the empirical literature as it relates to procurement practices influencing service delivery in the electricity sector. Also, the study will be of great relevance to the developing countries public sectors that deal with electricity service delivery

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especially, Kenya Power and the Republic of Kenya. Findings and recommendations from the study will be used as a guide to help policy makers and procurement professionals make sound procurement decisions in order to achieve value for money. This study is also important because the findings will serve as reference to future researcher in collecting empirical data as it relates to service delivery in the electricity sector. More importantly, the findings will serve as new knowledge that will contribute to the existing body of literature.

## **Research Scope**

The study investigates procurement practices influencing service delivery with respect to electricity procurement, transmission and distribution. The study focuses on the procurement operations of Kenya Power in their provision of electricity. The research focus on factors such as; procurement policy, procurement planning and sustainable procurement practice adopted and implementation by the company in order to get outputs which will help in achieving their corporate and national objectives. The energy service is chosen on the basic of the importance of electricity to all other service provision (Practical Action, 2010; ESMAP, 2002a). The research covered the company's headquarters which is located at Stima Plaza, Kolobot Road in Parklands, Nairobi and the other office located at Aga Khan Walk; it operates many offices throughout Kenya but the Headquarter and the other office at Aga Khan Walk were the covered areas of the study. The company (KP) was chosen on the basis of its importance to national development and poverty reduction. These outlets were chosen on the basic of their importance in term of decision making and structure as well as the number of population serving and industries.

#### **Research Limitation**

A study of this magnitude, always have limitations. Some of the respondents were not willing to reveal true information needed for the study in fear of losing their positions or Jobs. This is especially so that there were changes and shift taking place at the top of the management and departmental level during the data collection period. This was solved through explanation of the benefit of the study to the respondents. Some procurement and related workers refused to honored documents from the head quarter and insisted, unless it comes from theirs depots, they cannot take an interview or questionnaire. Research permit had a limited time period so it could not permit traveling to remote part of the country to access rural depots that serve the majority.

## LITERATURE REVIEW

#### Introduction

This chapter presents the theoretical framework, conceptual framework, empirical literature, critique of literature and gaps to be filled by the study. Specifically, the chapter discusses the institutional theory, socio-economic theory with little inclusion of the legitimacy. It also presents in details the factors influencing service delivery in the energy sectors. Past studies concerning the current study are also presented in details in this chapter.

#### **Theoretical Framework**

Defee *et al.*, (2010) stated that, good research should be grounded in theory (Mentzer *et al.*, 2008). And this study will be guided by institutional theory and socio-economic theory. The institutional theory is the traditional approach that is used to examine elements of public procurement (Obanda, 2010). There is no single and universally agreed definition of "institution" or "institutional theory".

## **Institutional Theory**

According to Scott (2004), institutions are composed of cultural-cognitive and regulative elements that, together with associated activities and resources give meaning to life. He further explains the three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as enforcement mechanism, with expedience as basis for compliance. The normative pillar refers to norms (how things should be done) and values (preferred or desirable), social obligation being the basis of compliance. The cultural-cognitive pillar rests on shared understanding (common beliefs, symbols, shared understanding). This theory is very important when it comes to the implementation of sustainable procurement policy and practice in organizations that serve the public. This is a matter of organizational culture and the degree to which the prevailing climate in an organization is supportive of sustainability and/or of change in general. In other respects, this dimension includes the extent to which there is support for SP at senior levels in an organization and the degree to which organizational processes and structures support, or retard, the development of SP (Brammer & Walker, 2007).

## **Socio-economic Theory**

Sutinen and Kuperan (1999) propounded the socio-economic theory of compliance by integrating economic theory with theories from psychology and sociology to account for moral obligation and social influence as determinants of individuals' decisions on compliance. According to Lisa (2010) psychological perspectives provide a basis for the success or failure of organizational compliance. Wilmshurst and Frost (2000) also add that the legitimacy theory postulates that the organization is responsible to disclose its practices to the stakeholders, especially to the public and justify its existence within the boundaries of society. This theory, which focuses on the relationship and interaction between an organization and the society, provides a sufficient and superior lens for understanding government procurement system (Hui et al., 2011). From this theory, we can understand the policy, planning and sustainable procurement practices in public institutions and their influence on service delivery to the society.

## **Conceptual Framework**

According to Mugenda and Mugenda (2003), a conceptual framework refers to conceptualization of the relationship between variables in the study and it is shown diagrammatically. Apart from showing the direction of the study, through the conceptual framework, the researcher is able to show the relationships of the different constructs that researcher was to investigate. Previous studies have identified a number of factors that influence service delivery. However, these three factors including procurement policy, procurement planning, and sustainable procurement practice as depicted below were identified as having major influence on service delivery in the energy sector.

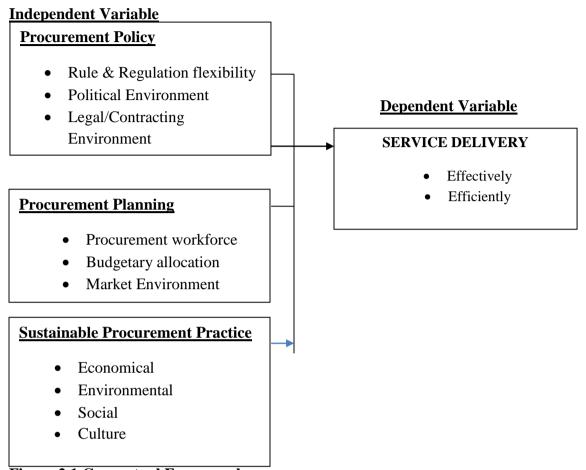


Figure 2.1 Conceptual Framework

# **Review of Variables**

## **Procurement Policy and Servicer Delivery**

Procurement policy is a factor influencing service delivery. Nichols (2002) argues that procurement policy is one of the primary functions of procurement with a potential to contribute to the success of government operations and improved service delivery. It is a function that sets in motion the entire acquisition or procurement process of acquiring services in governments (Lambsdorff, 2007). Schooner and Whiteman, (2000) assert that the contribution of procurement policy in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries. Its contribution can be at both central and local government levels of public sector management (Rogers *et al.*, 2007).

Arrowsmith (2003), Knight *et al.*, (2003) and Bolton (2006) portray public procurement as a tool, mechanism, instrument, or lever for promoting what they label as "policies" such as industrial and economic development and assistance to historically disadvantaged groups. From the systems model's perspective, however, such policies could more precisely be labeled desired results (either outputs or impacts), which governments attempt to achieve through specific procurement policies. Knight *et al.*, (2003) provide useful case descriptions and make

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brief mention of supply policy, but again, their attention is on supply policy as a lever for government reform. Others (Schooner & Whiteman, 2000) use "policies" when referring to principles such as transparency, probity, competition, and value for money. Again, the systems perspective would classify these principles as desired results (outputs or impacts) to be achieved through procurement policies. Such treatment of public procurement deflects attention from its policy aspect that determines the extent to which it contributes to desired outcomes. Consequently, we find that very little attention has been devoted to the study of public procurement policy.

Thai (2009) started that a sound public procurement system needs to have good procurement laws and regulations. In practice and theory, public procurement laws and regulations have been considered as one of the most important pillars of a sound procurement system. Procurement laws and regulations lead to procurement efficiency or inefficiency. There has always been a debate about a procurement legal framework that hinders or helps procurement discretion. Ideally, procurement laws and regulations should be clear, consistent, comprehensive, and flexible (Thai, 2009).

Public procurement is considered an inherently a politically sensitive activity (Schapper *et al.*, 2006). Meanwhile, Pillary (2004) argues that senior officials and political leaders use public office for private gain and this has weakened the motivation to remain honest. Raymond (2008) also opined that ministers and political parties receive clandestine payments in government procurement. This ultimately interferes with the procurement process and constrains compliance. This is also re-echoed by Lodhia and Burritt, (2004), who recognizes that social and political influences have an important bearing on public sector reform. In developing countries; one of the major obstacles to the procurement system is ministerial interference with the tender process where ministers intervene and influence tender awards. The threat of being suspended or fired has in many cases intimidated public officers into obeying illegal ministerial directives leading to non-compliance (Akech, 2005). In support of this, Hui *et al.*, (2011) asserted that interference from the local politicians, businesspersons, members of parliament and very influential top management individuals has interrupted the procurement processes and deterred transparency.

From the contracting point of viewed, Thai (2009) stated that, different from public procurement regulations and rules, the legal environment refers to a broad legal framework that governs all business activities, including research and development (regulations dealing with safety and health of new products), manufacturing (safety and health regulations at workplace and pollution control), finance (regulations dealing with disclosure of information), marketing (regulations dealing with deceptive advertising and disclosure of product characteristics), personnel (regulations dealing with equal opportunity for women and minorities), and contract law. In developing and particularly transitional countries, where legal systems are not comprehensive, government contracts may need detailed clauses defining basic principles. As "contract administration includes all relationships between the Government and the contractor," (Cibinic, Jr. and Nash, Jr., 1995) the legal rights and duties of the parties determine the proper course of action. And this is very important since KP outsources and subcontract most of it operations (www.kplc.ke). As can clearly be seen, procurement policy has an influence on service delivery and especially the provision of electricity due to the nature and complexity in politics and law governing all aspects of service delivery from the perspective of the provider and end user.

#### **Procurement Planning and Service Delivery**

Procurement planning is a factor influencing service delivery. Johan, (2006) came up with some important service delivery improvement slogans. He said he who fails to plan for service delivery, plans to fail delivering services to the public. Basheka (2004) argues that procurement planning is one of the primary functions of procurement with a potential to contribute to the success of government operations and improved service delivery. It is a function that sets in motion the entire acquisition/procurement process of acquiring services in local governments.

Mullins (2003) asserts that the contribution of procurement planning in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries. Mawhood (1983) further adds that effective procurement planning is an important route towards securing the right service to be delivered to the public, and also maximizing the level of service provision which can be achieved within the local Supporting People. A procurement plan helps Procuring Entities to achieve maximum value for expenditures on services to be delivered and enables the entities to identify and address all relevant issues pertaining to a particular procurement before they publicize their procurement notices to potential suppliers of goods, works and services.

A sound procurement system has to have a competent professional workforce equipped with defined skills and knowledge for specified procurement jobs (OECD-DAC, 2006). Creating a procurement workforce with the right skills and capabilities can be a challenge, given changes to procurement processes, the introduction or expansion of alternative contracting approaches, and increased reliance on services provided by the private sector (Government Accountability Office, 2005). The procurement workforce "permeates virtually every effort within an agency, including successfully acquiring goods and services and executing and monitoring contracts" (Government Accountability Office, 2005). Procurement must take a thoroughly professional view of its role in business as a whole and that must include planning (Bailey, *et al.*, 1998). Raymond (2008) also linked lack of a high degree of quality of personnel in public procurement to corruption, which ultimately impedes compliance. Effective training enhances knowledge, skill and behaviors of the people and their performance. Improved performance will lead to increased productivity, increased profits for the organization and therefore good results of investing in training (Mullins, 2002).

Roodhooft and Abbeele (2006) argue that, public bodies have always been big purchasers, dealing with huge budgets. Mahmood (2010), also reiterated that public procurement represents 18.42% of the world GDP. In developing countries, public procurement is increasingly recognized as essential in service delivery (Basheka & Bisangabasaija, 2010), and it accounts for a high proportion of total expenditure. For example, public procurement accounts for 60% in Kenya (Akech, 2005), 58% in Angola, 40% in Malawi and 70% of Uganda's public spending (Wittig, 1999; Government of Uganda, 2006) as cited in Basheka and Bisangabasaija (2010). This is very high when compared with a global average of 12-20 % (Frøystad *et al.*, 2010). However, Leni *et al.* (2012) noted that there is a growing recognition that, despite significant increases in resources, public service delivery is still falling in many developing countries.

Financial management, in service organizations has been a constraint and an obstacle to other functions that contribute to service delivery (Adams & Colebourne, 1999). There is a need to distinguish "good costs" that improves organizational capabilities and quality service delivery

from "bad costs" that increase bureaucracy hence becoming obstacles to service delivery (Sun & Shibo, 2005). Financial accountability using monitoring, auditing and accounting mechanisms defined by the country legal and institutional framework is a prerequisite to ensure that allocated funds are used for the intended purposes (Oliveira-Cruz, *et al.*, 2001). In many developing countries, governments do not have the financial and technical capacity to effectively exercise such oversight and control functions, track and report on allocation, disbursement and use of financial resources (Smee, 2002). Political and bureaucratic leakage, fraud, abuse and corrupt practices are likely to occur at every stage of the process as a result of poorly managed expenditure systems, lack of effective auditing and supervision, organizational deficiencies and lax fiscal controls over the flow of public funds (Peters, *et al.*, 2000).

The importance of procurement reform in almost all country's settings can be demonstrated based on its scale and role in terms of service delivery. The amount of money wasted by existing practices, reduced competition, higher prices due to market perceptions of risk, as well as the demonstrated ability of countries to capture enormous savings through concerted efforts to strengthen their procurement function (Harmonizing Donor Practices for Effective Aid Delivery, 1999). Research on procurement planning has focus on issues of accountability (Economic Commission for Africa, 2003). Again, it is as if the purchasing function is established to focus on minimizing costs while maximizing efficiency.

Financial measures ignore market dynamics and increased complexity in acquisition of goods and services for public entities (Lardenoije, *et al.*, 2005). Economic or market conditions have a great influence over the public procurement system's effort to maximize competition and service delivery. Moreover, the market determines whether or not socioeconomic objectives of procurement are accomplished; whether or not a governmental entity can fulfill its needs; the timeliness of fulfillment; and the quality and costs of purchased goods, services, and capital assets (Thai, 2009). Under a perfect competition market, "a buyer is able to achieve a solid value with little or no effort" as (Fearon *et al.* 1993).

#### Sustainable Procurement Practice and Service Delivery

Sustainable procurement practice is a factor influencing service delivery in public sector organization and indeed the energy sector. Public procurement refers to "the acquisition of goods and services by government or the public sector organizations" (Uyarra & Flanagan, 2010) and it is one of the main economic activities of government (Thai, 2001). The UK SP Task Force define sustainable procurement as "a process whereby organizations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organization, but also to society and the economy, whilst minimizing damage to the environment (DEFRA, 2006). In light of environmental degradation, climate change, resource depletion, and persistent global poverty, the supply chain management profession is increasingly called upon to contribute to broader organizational goals of sustainable development through the inclusion of social and environmental criteria within procurement processes (Srivastava, 2007; Preuss, 2009).

Green public procurement (GPP) is becoming a cornerstone of environmental policies around the world (Tukker *et al.*, 2008). The potential environmental benefit that could be obtained if environmental requirements were systematically included in public tenders is rather clear and measurable (Parikka-Alhola, 2008). The implementation of GPP is spreading through the public authorities (PAs) both as a policy instrument and as a technical tool. The high purchasing power of PAs is a market factor with enormous potentialities. By operating as a market trigger, GPP

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can act as a strong stimulus for eco-innovation (Iraldo *et al.*, 2007). However, in the last decade, the use of environmental criteria in public tenders has been increasingly diffusing. For instance, many national initiatives can be accounted in the United States (Swanson *et al.*, 2005), in South Africa (Bolton, 2006; 2008) and in Asia (Ho *et al.*, 2010). Especially in the European Union there was a strong and convinced promotion of these instruments, so that green procurement is gradually turning into a legally binding instrument (European Commission, 2008a).

From the economic perspective, the UK which have the best standard of sustainable procurement, and it's based on a set of guiding principles, including transparency, competitiveness, accountability, effectiveness, efficiency, legality, and integrity, that have the ultimate aim of supporting the delivery of "best value for money" in public procurement (HM Treasury, 2000). "Best value for money" is defined as "the optimum combination of whole life cost and quality (or fitness for purpose) to meet the customer's requirements" (HM Treasury, 2000). Regarding "value for money" the view of public sector efficiency (Gershon, 2004) sought to defined opportunities to delivery "sustainable efficiencies in the use of resources within both central government and wider public sector" and highlighted that significant savings in procurement were expected to be obtained through; better supply side management, seeking to communicate and manage likely aggregate public sector demand in a way with the supply and further professionalization of the procurement function within the sector (Gershon, 2004).

Another way to look at sustainable procurement is by considering it as a corporate social responsibility. Corporate social responsibility extends beyond a company's own organization. Nowadays it covers all activities within the company's supply chain. MVO Nederland, a Dutch coalition that promotes corporate social responsibility, uses the following definition: 'Corporate social responsibility is a process in which an enterprise takes the responsibility for the social, ecological and economic impact of its actions in the whole chain, and participates in a dialogue about this with stakeholders' (MVO, 2008). That makes it the responsibility of companies to check their suppliers on sustainability and, if necessary, to help them to improve. Close collaboration is essential if such efforts are to succeed. Lamming and Hampson (1996) argue that, the purchasing function is beginning to play a important role in the future strategy of businesses and will need to have policy in place that can cope with a range of issues, many of which closely affect the environment (Lamming & Hampson, 1996).

According to Lisa, (2010), culture plays a central role in the compliance process and associated outcomes. Due to regulatory reforms and changing community expectations, the role of culture in organizational compliance has gained momentum (Lisa, 2010). Basing on the competing values model(hierarchical culture), which involves enforcement of rules, conformity and attention to technical matters, individual conformity and compliance are achieved through enforcement of formerly stated rules and procedures (Zammuto & Krakower, 1991) as cited in Parker and Bradley (2000). Concerning the importance of organizational culture, earlier studies have suggested that public sector organizations, particularly NHS organizations, can exhibit cultures that are highly resistant to change (Cox, *et al.*, 2005). Parker and Bradley (2000) further indicated that awareness of the nature of public organizational culture is vital in explaining and assessing the appropriateness and outcome of the current reform process. This applies to developing countries where waves of procurement reforms have resulted into enactment of procurement rules and regulations. This suggests that these cultures, where they exist, may have adverse consequences for the implementation of SP.

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In order for an organization to be able to effectively implement SP activities, it is vital that organizations understand the concept of SP and government policies with respect to it and that they have the skills, competencies and tools necessary to make SP happen. Brammer and Walker (2007) noted four factors that influence the degree to which particular organizations implement SP practices. Firstly, Sustainability is itself a contested and complex concept suggesting that it may be the case that procurement professionals lack the skills and knowledge necessary to successfully implement SP (Brammer & Walker, 2007). Secondly, is the role of financial aspects of SP. In particular, perceptions of the financial viability of implementing SP are expected to play a crucial role in shaping the degree to which SP policies are acted upon since green/socially responsible production methods are often perceived of as being inherently more expensive than other methods.

Thirdly, the degree to which SP is implemented in organizations concerns organizational attitudes and incentives for SP. In part, this is a matter of organizational culture and the degree to which the prevailing climate in an organization is supportive of sustainability and/or of change in general. In other respects, this dimension includes the extent to which there is support for SP at senior levels in an organization and the degree to which organizational processes and structures support, or retard, the development of SP. The final driver of SP implementation centers on the supply-side of the SP transaction by emphasizing the importance of the availability sustainably-produced goods and services for the ability of public sector organizations implementation of SP. Given that many of the goods and services procured by the public sector are highly specialist, it is possible that identifying sustainable sources of supply may be very challenging in some contexts (Brammer & Walker, 2007).

## **Empirical Review**

The impact of transparency and accountability on service delivery has always been the underlying motif in the literature of service delivery (Mcloughlin, C. & Batley, R., 2012; Joshi, 2010). However, Schooner and Whiteman, (2000) assert that the contribution of procurement policy in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries. Its contribution can be at both central and local government levels of public sector management (Rogers *et al.*, 2007). Arrowsmith (2003), Knight *et al.*, (2003) and Bolton (2006) portray public procurement as a tool, mechanism, instrument, or lever for promoting what they label as "policies" such as industrial and economic development and assistance to historically disadvantaged groups.

Mamiro (2010) points out that one of the major setbacks in public procurement is poor planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of the skills of staff responsible for procurement. When planning is properly conceived and implemented, it can serve as an important mechanism for extracting, distributing and allocating resources (James, 2004). Planning generally enhances the gathering, evaluating and interpreting of essential data and information in order to produce knowledge relevant to good policy making. In many African countries, planning has not arrived at the level of achieving the aims described because of problems related to human and technical capacities and financial resources (Basheka, 2004). Lamming and Hampson (1996) argue that, the purchasing function is beginning to play a important role in the future strategy of businesses and will need to have policy in place that can cope with a range of issues, many of which closely affect the environment (Lamming & Hampson, 1996).

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Furthermore, and at the same time, failure of democratic institutions to deliver for the poor also resulted in calling for deepening democracy through the direct participation of citizens in governance (Fox, 2007). Innovative institution such as councils in Brazil or village assemblies in India, were viewed as embodying the spirit (Cornwall & Coelho, 2006) as well as devolution in Kenya is as a result (GOK, 2008). Accountability for service delivery can be demanded from a range of stakeholders; of politicians (eg. Not adopting appropriate policies); or of public officials (not delivering according to rules of entitlements, not monitoring providers for appropriate service levels); or of providers (not maintaining service levels in term of access and quality). Different studies identify a wide range of expected impacts; from improving the quality of governance (Malena *et al.*, 2004) to increased empowerment of citizens (Brown, D. & Mobarak, A. (2009). Improved policy, practice, behavior and power relations improve service delivery (Fox, 2007; Rocha Menoracal & Sharma, 2008).

Meanwhile, the scale of private involvement (in its various forms) in the public service delivery is now vast (Megginson, 2005). The shift towards private sector participation in infrastructure financing and development began in the last few decades (Epictatus *et al.*, 2005). This has mainly been driven by the need to address shortcomings in the performance of service delivery by public sectors organization; many of which became highly inefficient and caused huge drains on government resources. However, initial conditions for competition can be unfavorable, especially if prices for liberalized utilities are determined under duopolistic market conditions. Removal of state involvement in the day to day operation of public sector service delivery creates unfavorable conditions which justify efficient regulations necessary to restore efficiency and quality of service delivery (Stern, 2000).

Even though no MDG refers to energy explicitly, improved energy services including modern cooking fuels, improved cookstoves, increased sustainable biomass production, and expanded access to electricity and mechanical power are necessary for meeting all the Goals (ESMAP, 2002a). Worldwide, 1.3 billion people have no access to electricity, and another 1 billion have only an intermittent supply (IEA, 2011). The great majority of those without access live in Sub-Saharan Africa and South Asia. In Europe and North America, electricity supplies reach almost everyone, but in Sub-Saharan Africa only 30% of the population has access. An estimated 23 per cent of Kenyans have access to grid electricity (ROK, 2011), and the majority of these reside in urban areas; only 3 per cent of rural Kenyans have access to electricity (MENR, 2005). This limited access is one factor contributing to Kenya's relatively low per capita incomes and consumption of electricity (World Bank, 2010), compared with other countries in Africa. A second factor is the higher cost of electricity compared with that found in neighboring countries (Karekezi *et al.*, 2008).

Demand is rising significantly due to population growth and economic expansion (ROK, 2011). Peak load for electricity is projected to increase to 2,500 megawatts by 2015 and 15,000 megawatts by 2030 (ROK, 2011). To meet this demand, the country is expected to need installed capacity for electricity production of 19,169 megawatts by 2030 (ROK, 2011). Droughts and declines in rainfall also directly influence the electricity sector, as they lower reservoir levels, reducing hydropower production and resulting in load-shedding (ROK, 2011). During the 1999–2000 drought, for example, reduced industrial productivity caused in part by less access to electricity resulted in Kenya's GDP declining by 0.6 per cent in 2000 compared with the previous year. The Kenya Power revenue dropped by KES 4.1 billion or US\$20 million (GOK, 2010; Kandji, 2006; Mogaka *et al.*, 2006). Power cuts have since become an annual occurrence (Mutimba *et al.*, 2010).

### **Critique of Existing Literature Relevant to the Study**

There are various research and theories when it comes to the study of service delivery but this study seems to agree with the socio-economic theory (John *et al.*, 1987; 1989) and institutional theory (Edward O'Boyle, 1996; Scott, 2004; 2008) and argued against theories used in the studies of service delivery within the energy sector. It is based on the fact that, other scholars using the political economic (Jain, 2006; Golden & Min, 2012) as well as accountability and transparency (Dixit *et al.*, 2007; Joshi, 2010) issues as their central themes to their proponent for the need to addressing service delivery in the energy sector and ignoring the procurement issues. Even though politics, accountability and transparency play an important role to addressing short comings in the service delivery sector, it neglect the procurement issues that require policy, planning and environmental issues that to some extent, requires policies and that in effect has political as well as socio-economic implications.

The impact of transparency and accountability on service delivery has always been the underlying motif in the literature of service delivery (Joshi, 2010). Accountability as central theme of the debate on service delivery however, only took root after the World Development Report of 2004 which identified failures in service delivery squarely as failures in accountability relationships (World Bank, 2004). Unsurprisingly, governance of the electricity sector has been a subject of previous studies, which tend to cover the power sector as a whole or the wider energy sector (IEA, 2011). These have tended to focus on specific issues such as transparency and accountability or users' experiences (Jain, 2006; Golden & Min, 2012), but have not looked at particular types of electricity services hamper by procurement policy, planning and sustainable practices, their characteristics and the implications for incentives and accountability relationships.

For example, the Electricity Governance Initiative (EGI), led by the World Resources Institute and Prayas Energy Group, addresses the transparency and accountability of decision-making processes in the power sector (Dixit *et al.*, 2007). The toolkit (with 64 indicators) developed for the EGI allows assessment of policy and regulatory processes and the social and environmental effects of policymaking and implementation in the sector as a whole. Application of the toolkit in India and South Africa has focused on power sector reform (EGI South Africa, 2007; Mahalingham *et al.*, 2006). Other studies have examined "users experience" of electricity services from a political economy perspective, in a specific location or concerning a specific aspect of electricity services, such as subsidies or theft (Golden & Min, 2012; Jain, 2006). The literature on such experiences is dominated by South Asian cases, including that of Oda and Tsujita (2010), who provide one of the few statistical studies.

Consequently, this research is intended to look at the procurement factors (procurement policy, procurement planning, and sustainable procurement practice) that have an influence on service delivery by Kenya Power in its effort to provide electricity throughout Kenya. New public management (NPM), which emerged in the 1990's, emphasized the use of market mechanisms within the public sector to make managers and service providers more responsive and accountable (Bailey,1999). The institutional theory is the traditional approach that is used to examine elements of public procurement (Obanda 2010). Thereby, by understanding the steps involved in the procurement process for equipments and materials that are needed for transmission and distribution of electricity, real cost of goods and service can be understood.

## Research Gap

When it comes to the study of service delivery in the electricity sector, limited research exists that addresses procurement issues as factors influencing the provision of electricity. For example; the Electricity Governance Initiative (EGI), led by the World Resources Institute and Prayas Energy Group, addresses the transparency and accountability of decision-making processes in the power sector (Dixit et al., 2007). Application of the toolkit in India and South Africa has focused on power sector reform (EGI South Africa, 2007; Mahalingham *et al.*, 2006). Other studies have examined "user's experience" of electricity services from a political economy perspective, in a specific location or concerning a specific aspect of electricity services, such as subsidies or theft (Golden & Min, 2012; Jain, 2006). The literature on such experiences is dominated by South Asian cases, including that of Oda and Tsujita (2010).

However, there is limited research in the area of procurement policies and in particular with respect to its implications on service delivery. Chalton (2014) conducted a research on the challenges of implementing procurement policies in state corporations in Kenya, Nyaboke, *et al.* (2013), conducted research on the effects of public procurement policies on organizational performance which was focus on the water sector, while, Obiero (2008) did a study on the challenges in the implementation of the Public Procurement & Disposal Act 2005 in the Ministry of Higher Education, Science and Technology in Kenya. This study therefore sought to establish the effects of public procurement policies as one of the factors on organizational performance in their effort to deliver service with specific interest in Kenya Power as a service provider that is crucial to other service provision. In spite of it development of encouraging policy frameworks internationally (Department for Environment, Food and Rural Affairs (DEFRA), 2005; European Commission, 2005a) relatively little research has addressed sustainable procurement (SP) in a public sector context (Preuss, 2009; Walker & Brammer, 2009).

## **Summary**

This chapter reviewed the literature review on the factors influencing service delivery with respect to the electricity sector. The literature puts into focus that number of factors may influence service delivery in the energy sector but, the need to focus on the procurement aspects for any service provider if it is to be effective and efficient. The literature was guided by institutional and socio-economic theories. The institutional theory is the traditional approach that is used to examine elements of the public procurement. Socio-economic theory on the other hand, looks at the compliance by integrating economic theory with theory from psychology and sociology to account for moral obligation and social influence as determinants of individuals' decision on compliance.

This is also important from the perceptive of the linking of electricity to the fight against poverty and economy growth. While the literature also took into consideration the legitimacy theory which postulates organizations to be responsible for disclosure of their practices to stakeholders, especially to the public to justified the existence within the boundaries of society. These theories are useful to the study of service delivery and especially, electricity provision. The empirical literature identifies several factors that influence service delivery within the public sector. It point out the importance of procurement policy, procurement planning and especially sustainable procurement practice as very important to service delivery. The exclusion of any of these or all will serve as barriers to effective and efficient service delivery.

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#### RESEARCH METHODOLOGY

## **Research Design**

A case study research design was adopted for this study. Case studies are suitable for exploring issues that are too complex for empirical survey or experimental research. It is most appropriate when a how or why question is being asked about a phenomenon (Yin, 2009). Although the use of small sample in the case study approach may forbid generalization of findings to reflect the circumstances of the whole population (Kombo & Tromp, 2006), the limitation can be overcome by selecting major and representative subjects for study.

## **Target Population**

Target population refers to the larger population to which the researcher ultimately would like to generalize the results of the study (Mugenda & Mugenda, 2003). It is thus the entire group of individuals, events or objects having common observable characteristics. The target population for this study will be Kenya power. According to Kenya power and lighting company web site, it has about 63 deports within Kenya. It also has and workforce of about 7000. Being a case study, the study population will be drawn from 160 employees and management teams within the company. The populations of interest are employees drawn from top and middle managers, procurement, finance and Audit, customer service &marketing, and Technical departments who are directly or indirectly involved with decision making and implementation of policy and procurement.

## **Sampling Frame**

A sampling frame is a list, directory or index of cases from which a sample can be selected (Mugenda & Mugenda, 2003). A sampling frame is a list of all items where a representative sample is drawn for the purpose of the research. In this study the sampling frame is 160 and it's from a list of all departments in Kenya power. These departments include; top managers and Middle Managers (15), procurement (55), finance and Audit (20), Technicians (40), Customer Service and Marketing (30).

# Sample Size and Sample Technique

A sample is portion or part of the population of interest. The purpose of sampling is to gain an understanding about some features or attributes of the whole population based on the characteristics of the sample. The study uses stratified random sampling where subjects are selected in such a way that the existing subgroups in the population are more or less reproduced in the sample (Mugenda & Mugenda, 2003). Samples of 100 employees were selected from the selected departments as shown in table 3.1. This represent more than 62% of the accessible population that is generally recommended by social researchers who generally recommend that 10% of the accessible population is enough and at least 30 cases are required for statistical data analysis (Mugenda & Mugenda, 2003).

**Table 3.1 Sample Size Determination** 

Departments	Numbers of Employees	Sample Size	Percentage (%)
Top and Middle Manageme	ent 15	10	6.25 %
Procurement Department	55	48	30 %
Finance and Audit	20	17	10.6%
Marketing/Customer Service	ce 30	12	7.5%
Technical Department	40	13	8.1%
Total	160	100	62.5%

#### **Data Collection Instruments**

Kothari (2008) stated that, questionnaire are very economical interns of time, energy and finance. Similarly, it yields quantitative data which is very easy to collect. Questionnaires were used to capture the various variables under the study. A questionnaire is a research instrument that gathers data over a large sample and its objective is to translate research objectives into specific questions. The strength of a questionnaire over other instruments is that information can be collected from large samples and opportunity for bias is reduced since it is presented in paper form and confidentiality is upheld. On the other hand, Mugenda & Mugenda (1999) stated that, an interview schedule is a set of questions that the interviewer asks when interviewing. Open-ended interviews were carried out to supplement the questionnaires. Due to the busy schedules of the workforces, at random Interviews were conduct as the opportunity arises. They were used to collect information from the procurement, Technical, Customer Service and Marketing departments.

## **Data Collection Procedures**

The questionnaires were self-administered questionnaires where the respondents filled themselves and interviews as well. The letter from these institutions; National Commission for Science, Technology and Innovation, the County Commissioner and County Director for Education of Nairobi County, Kenya Power, the Human Resource Department and the letter from the Jomo Kenyatta University of Agriculture & Technology were used for introduction. The organization was first contacted and the intention to drop questionnaires explained to the human resources manager. The questionnaires were then delivered to the respondents and they were given one week to fill. While they were filling the questionnaire, other top and middle managers as well as technical personnel were interviewed as the opportunity presented itself due to the busy nature of the workforce. The researcher collected the filled questionnaire after one week.

## **Pilot Study**

The questionnaires were pretested to ensure it clarity and validity of the instrument. Validity is the extent to which an instrument can measure what it ought to measure. It therefore refers to the extent to which an instrument asks the right questions in terms of accuracy. Mugenda and Mugenda (2003), defines validity as the accuracy and meaningfulness of inferences which are based on the results. For a research instrument to be considered valid, the content selected and included in the questionnaire must be relevant to the variable being investigated (Mutai, 2000). A pilot study was carried out to determine the validity of the questionnaire, where the responses of the subjects were checked against the research objectives. The questionnaire was pilot tested on ten (17) respondents who are part of target population but not in the sample. This represents slightly above 10% of the accessible population that is generally recommended by social

researchers (Mugenda & Mugenda, 2003). After pilot testing, the questionnaires were revised to incorporate the feedback that was provided.

Reliability of an instrument is the measure of degree to which the research instrument yields consistent results or data after repeated trials (Mugenda & Mugenda, 2003). In order to test the reliability of the instrument used in this study, the test-retest method was used, where the questions in questionnaire were asked in a twisted way but asking the same questions twice and this was part of the pilot testing within an interval of one weeks to establish whether the questionnaire elicit the same response.

## **Data Analysis and Presentation**

The data was collected using questionnaires and interviews. Data for this research was both qualitative and quantitatively. Qualitative data analysis involved explanation of information obtained from the empirical literature. This was done though discussion and explanation of study findings. Quantitative analysis was done for the numerical data obtained from the field. This was done using descriptive statistics with the help of Statistical Package for Social Sciences (SPSS) and Microsoft version of Excel. The responses in the questionnaire were coded into common themes to facilitate analysis. The coded data was then entered into SPSS program to generate measures of central tendency (mode and mean) and measures of dispersion such as percentages and ranks. Hence the researcher goes through the responses tallying them with regard to outcomes from different respondents to each variable. Graphs, tables and pie charts were used to represent the outcomes. Descriptive statistics was also used to do some analysis.

## **CHAPTER FOUR**

#### RESEARCH FINDING AND DISCUSSION

# **Research Findings and Presentation**

This section presents the research findings, data analysis, presentation and interpretation of the findings. The data presented includes response rate, background information of the respondents and a presentation of findings against each individual objectives of the study. The data analyzed and presentation was based on the responses to the items in the questionnaires and interview done. Descriptive statistics are also used in analyzing the findings of this research project.

## **Response Rate**

Table 4.1 Table showing Respond Rate			
(/0)			
Number that filled and return	71	71 %	
Number that did not return	29	29 %	
Total	100	100	
%			

For the purpose of this study, 100 questionnaires were administered to the staff of five department; top and middle managers, procurement, finance & Audit, Customer Service & Marketing, and the Technical department of Kenya power. Out of the 100, 71 were successfully

filled and returned and as such, they were considered as the sample with a response rate of 71% While, the non-respondents is about 29%.

# **Presentation and Findings**

#### **General Information**

The researcher analyzed the background of the respondent using demographic and general knowledge perception to understand the view of workers for company's operations to the larger society. In the questionnaire; gender, educational qualification, position in the company and work experience as well as perception of the company's operation on poverty reduction. The respondent's responses are as below.

## **Gender of the Respondent**

Gender (%)	Table 4.2 Respondent's Gender	Percentage
Female	41	57.75 %
Male	30	42.25 %
Total	71	100 %

The finding shows that 57.75% of the respondents were female and 42.25% of the respondents were males. This implies that more females responded to interview and returned the filled Questionnaires then Male during the research.

# **Level of Education**

The level of education the one has determines how they understand and responds to different opinions.

**Table 4.3 Respondent's Level of Education** 

<b>Level of Education</b>	Frequency	Percentage (%)	
Degree and Above	49	69 %	
Diploma	20	28 %	
Certificate	1	4.1 %	
Secondary	1	4.1 %	
Total	71	100 %	

The finding reveals that 4.1% of the respondents have secondary education, 4.1% with Certificate, 28% were at level of diploma, while the remaining 69% of the respondents are degree and above holders. This shows that majority of the respondent were degree holders.

## **Departmental and Educational correlation**

Table 4.4 Respondent's Department and level of education

Department	Degree	Diploma	Certificate	secondary	Percentage (%)	Total
Procurement	22	4	0	0	36.6 %	26
Others Combine	17	5	1	1	33.8 %	24
Non stated responden	t's 14	7	0	0	29.6 %	21
Total	53	16	1	1	100 %	71

The finding reveals that the procurement department accounted for 36.6 % of the total respondent's that filled and return the questionnaires. It was also reveal that in the other department put together accounted for about 33.8 % of the people that filled and return the questionnaires. However, there were some respondent's that did not state their departments or position they hold. Meanwhile, it was revealed that that non respondent's that did not state their positions or departments accounted for 29.6 % of those.

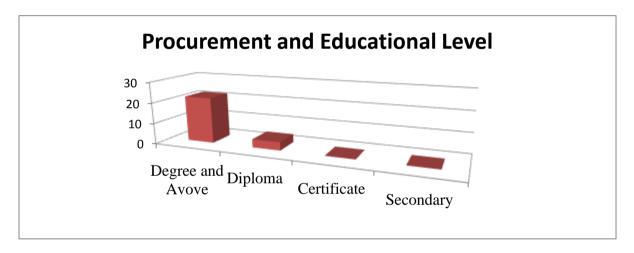


Figure 4.1 Number of procurement Personal and Education

The finding reveals that within the procurement department which accounted for about 36.6% of the total respondent's, 84.6 % in the procurement department have degree and above while, 15.4% of people working in procurement department have diploma.

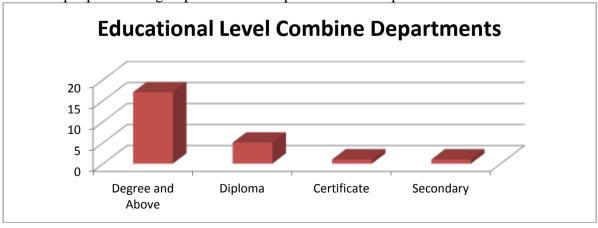


Figure 4.2 Four Department combined Educational Level

The findings revealed that in these four departments combined (Human Resource, Finance, Customer Service and Marketing and Technical) which represent about 33.8% of the respondent's; 70.8% of those departments respondent's had degree and above, 20.8% with diploma, certificate 4.2% and those with high school educational level 4.2%. Those in the technical departments accounted for the most diploma.

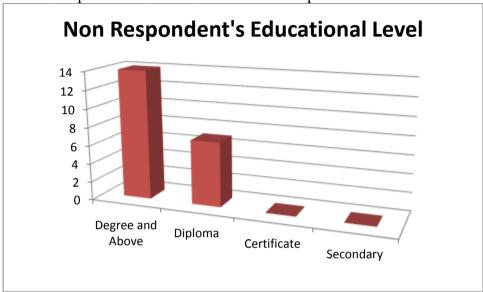


Figure 4.3 Those that did not state their department but had Educational Level

The findings revealed that those that did not state which department they are from or their positions accounted for about 29.6% of the total respondent's that filled and return the questionnaire. Within those non stated respondents, about 66.7% had degree and above while, diploma accounted for about 33.3% of the non respondent's.

# Years of Experience with Kenya Power

The number of years one has worked within an organization gives understanding about the inner workings of the institutions.

**Table 4.5 Respondent's Work Experience** 

5 Years and Above	56	79 %
3 to 4 Years	5	7 %
1 to 3 Years	2	2.8 %
Less than 1 Year	8	11.3 %
Total	71	100 %

The findings revealed that 11.2% of the respondent have worked at Kenya Power for a period of less than 1 year, 2.8% of the respondent have worked at the company for a period of between 1-3 years, 7% have worked at there for a period of between 3-4 years and 79% of the respondent have worked at for 5 or more years. This show that majority of the respondent have worked at the Electricity house for a period of 5 or more years and have enough understanding of the company's working and operations.

99

## **Perception of Electricity Connectivity**

In most developing countries, electricity is nowadays a policy framework and tools used for the fight towards the reduction of poverty and economic growth. However, the perception that service providers have toward the larger society determines how they serve the customers and hence the background of this question.

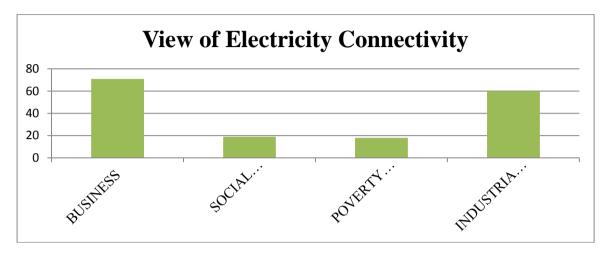


Figure 4.4 View of the Company's Operations to Kenyans

The findings indicates that 100% of the respondent's believes that the company's operation is straightly business while slightly below that at 84.5% of the respondent's saw their operations as contribution to the nation industrial and economic growth. However and very alarmingly, is that 25.4% and 26.8% of the respondent's only saw the company's operation as poverty reduction mechanism and social obligation to the Kenyan society respectively.

# View on Affordability and Connectivity on to the Power Grid

<u>(%)</u> Strongly Agree 3 4.2% 4 5.6% Agree Neither Agree nor Disagree 13 18.3% 29 Disagree 40.8% Strongly Disagree 22 30.9% Total 71 100 %

**Table 4.6 Affordability and Connectivity** 

The findings revealed that 30.9% of the respondent's strongly disagreed with the opinion that only those that can afford to pay higher bills in order to maintaining the company's operation should be connected to the power grid. 40.8% on the other hand disagreed to that opinion, 18.3% neither agreed nor disagreed, while 5.6% agree that only those that can pay bills to maintain the company's operation should be connected and 4.2% strongly agreeing to that opinion. This strongly suggest that about 71.8% of the respondent's view connection to the power grid as necessary for those that needs it and not necessarily for how much they pay on a monthly basis.

## **Electricity Lacking By Rural Community On Company's Operation**

The lifestyle of rural communities has a strong effect on the level of rainfall and indeed the reservoir water level. This comes as a result of their sources of energy that leads to deforestation.

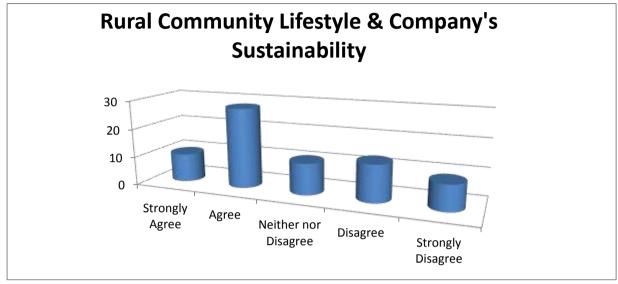
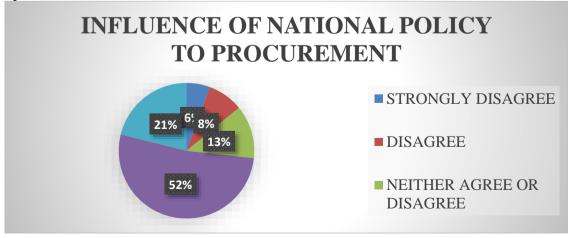


Figure 4.5 View of Rural communities lifestyle's on Company's Sustainability

The initings revealed that 14.1% of the respondents strongly agreed that the lack of electricity in rural communities has no effect on the company's operation, 39.4% of the respondents agreed, with 15.5% of the respondent remaining neutral. This indicates that the majority of the respondent at 53.5% believes that the lacking of electricity has no effect on the company's operation. However, 12.7% of the respondent's strongly disagreed that the rural community's lack of electric power has no effect on the company's operations with 18.3% of the respondent's disagreeing with the linking of rural communities lacking of electric power to low productivity.

# Procurement Policy Influence on Service Delivery Understanding of policy and its application in the company

In most developing countries, Electricity is nowadays considered as a national policy (IAE, 2011) and a means to achieving poverty reduction and economic growth. Hence the respondents were ask as to if national policy had an influence on their work and the company's operation.



The findings revealed that 6% of the respondents strongly disagreed and did not accept the fact that the company's procurement is influence by national policy; the respondent's which represent 8% also disagreed to the proposition. On the other hand, those respondents that neither agreed nor disagreed with national policy having influence on the company's procurement accounted for about 13% of the total respondents. However, about 52% and indeed the majority accepted that national policy do have influence on the company's procurement, and the remaining 21% strongly agreed that government policy do have influence on the company's procurement operation.

## **Company and Procurement Policy**

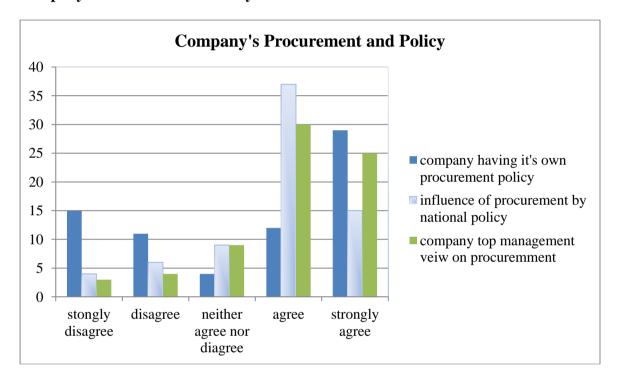


Figure 4.7 Extent to which the following items as they relates to Procurement Policy

The findings revealed that on the issue of the company's having it own procurement policy, 21.1% of the respondents strongly disagreed and stated that the company's does not have it own procurement policy, 15.5% disagreed also that the company does have its own procurement policy. 5.6% neither agreed nor disagreed to the view of the company having it own procurement policy that governs procurement and contract. Meanwhile, 16.9% agree that the company's do have its own procurement policy, and the remaining 40.8% of the respondent's strongly agreed that the company do have its own procurement policy. This means that majority of the respondent's when those that strongly agreed and the people that just agreed are combine will constitute about 57.7% that the company do have it own procurement policy.

When it comes to the issue of the company's procurement being influence by national procurement policy, the findings revealed that about 5.6% strongly disagreed to national procurement policy influencing the company's procurement activities. It also revealed that about 14.1% disagreed to the national procurement policy having influence on the company's procurement activities. For those who neither agreed nor disagreed to the notion of national procurement policy having influence over the company's procurement activities, they

accounted for about 19.7%. The finding revealed that 32.4% agreed that the company's procurement activities is influence by national procurement policy while, 28.2% of the respondents strongly agreed to the nothing of the company's procurement activities being influence by national procurement policy. This means that the majority which constitutes about 60.6% agreed overwhelmingly that the national procurement policy do have influence on the company's procurement activities.

Furthermore, on the issue for view about top management on the procurement functions and department, the findings reveal that 5.6% of the respondents strongly disagreed that the top management view the procurement department and function as very important as any other department within the company. 14.1% of the respondents disagreed that the top management view procurement department as important. It also revealed that 19.7% of the respondent neither agreed nor disagreed on the procurement department being view by the top management as being important as other departments. Meanwhile, the findings revealed that 32.4% of the respondents agreed that management view the procurement department as very important as other department with 28.2% strongly agreeing with management seeing procurement being very important. This means the majority which constitutes about 60.6% overwhelmingly agrees that the procurement department is very important to the company's operation in the eyes on the top management.

## Extent to Which the Following as it relates to Rules and Regulation Flexibility

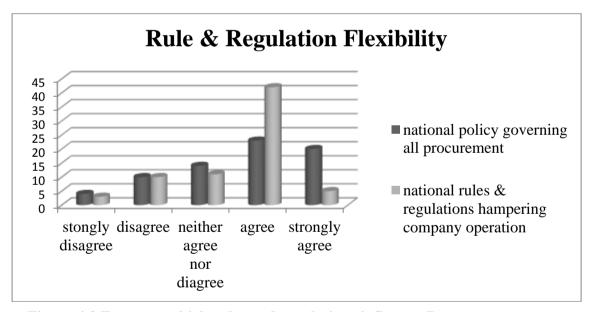


Figure 4.8 Extent to which rules and regulations influence Procurement

The finding reveals that on the issues of the national procurement policy governing and superseding all of the company's procurement activities; 5.6% strongly disagreed to national procurement policy superseding all activities, 14.1% disagreed to that notion while, 19.7% neither agreed nor disagreed to that proposition. It was also revealed that 32.4% agreed that the national procurement policy supersedes all of the company's activities and the remaining 28.2% strongly agreed to the proposition as well. This means that majority of the respondent's which constitutes about 60.6% agreed that the national procurement supersedes all of their procurement activities.

On the issues of the national procurement rules and regulations hampering the company procurement activities; 4.2% strongly disagreed to national procurement rules and regulations hampering the company's procurement activities. 14.1% of the respondents disagreed with the preposition while, 12.7% neither agreed nor disagreed to the point of national procurement rules and regulations hampering the company's procurement activities. Meanwhile, 42.3% of the respondents agreed that national procurement rules and regulation hampering their activities with 35.2% strongly agreeing to the proposition that the national procurement rules and regulation hampers their operation. This meant that majority of the respondents which constitute about 77.5% agreed that the procurement activities are being hamper by the national procurement rules and regulations.

## Extent to Which the Following as it relates to Political Environment

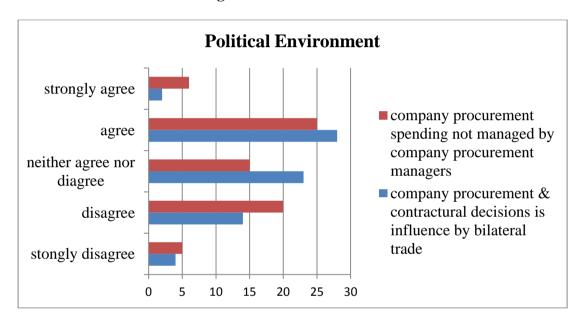


Figure 4.9 Level of Agreement as it relates to Political Environment

On the issue of the procurement spending not been manage nor influence by the company's procurement managers or officers, the respondents level of agreements are as follow; 7% of the respondents strongly disagreed to the proposition, 28.2% disagreed, while 21.1% neither agreed nor disagreed to that position. However, the findings revealed that, 35.2% of the respondents agreed that the procurement managers or officer did not managed nor influence the procurement decision while, 8.5% of the respondents strongly agreed to the proposition of the procurement not been manage nor influence by the procurement department. This means that that majority of the respondents which constitutes about 43.7% agree that they do not manage the procurement decisions.

The findings also revealed that on the issue of the procurement and contractual decision been influence by bilateral trade agreements, the findings reveal that, 5.6% of the respondents strongly disagreed to the preposition, 19.7% disagreed to the notion while 32.4% of the respondents neither agreed nor disagreed that bilateral trade agreement influence the procurement and contracting decision. However, it was revealed that 39.4% of the respondents agreed that bilateral trade agreement influence the decision with 2.8% strongly agreeing to

those propositions. This means that majority of the respondents which constitute about 42.2% agreed that the procurement and contractual decision are influence by bilateral trade agreement.

# Extent to Which the Following as it relates to Contractual Decision



# Figure 4.10 Level of agreement with contracting practices and decision making

made on the basis of cost transfers, the findings revealed that; 45.1% of the respondents disagreed to the proposition, 23.9% neither agreed nor disagreed, while 26.8% of the respondents agreed to subcontracting and outsourcing decision are based on cost transfer with 4.2% of the respondents strongly agreeing to that. This means that majority of the respondents which constitutes about 71.9% disagreed to the proposition that contracts are outsource or subcontracted on the basis of cost transfer.

When it came to the proposition as to contracting practices are main reasons leading to higher cost of connection for the consumers, the findings reveals that; 8.5% strongly disagreed, 21.1% disagreed to that while, 23.9% of the respondents neither agreed nor disagreed to the proposition. However, 38% agreed that contracting practices are the main reasons leading to higher cost to the end users with 8.5% strongly agreeing to the proposition. This means that the majority of the respondents which account for about 46.5% agreed that contracting practices are reasons leading to higher cost of connection for the end users.

On the issue of contractors charging higher for activities outsources or subcontracted due to poor infrastructures, the findings reveals that; 5.6% of the respondents strongly disagreed, 36.6% disagreed while, 22.5% of the respondents neither agreed nor disagreed to the proposition. On the other hand, 29.6% of the respondents agreed and the remaining 5.6% strongly agreed to the proposition. This means that most of the respondent which constitutes

about 42.2% disagreed that contractor's charges are higher and is leading to higher cost for the end users.

The findings on the issue of contract implementation and completions on the part of outsource or subcontractors, are reasons leading to slowing service delivery. The finding reveals that; 1.4% of the respondents strongly disagreed to the proposition, 25.4% agreed to that while, 7% neither agreed nor disagreed to that. However, 52.1% of the respondents agreed that contractors are causing problems that are leading to slow service delivery and 14.1% strongly agreeing to the proposition. This means that the respondents which constitute about 66.2% overwhelmingly agreed, that contractors are causing problem which is leading to slow service delivery to the end users.

Meanwhile, on the issue of contractors not being pay on time and is a factors leading to higher charges by those wanting to take risk, the finding reveal that; 11.3% of the respondents strongly disagreed to the proposition, 47.9% of the respondents disagreed while, 21.1% neither agreed nor disagreed to that. 14.1% agrees to the proposition with the remaining 5.6% strongly agreeing to that proposition. This means that the respondents which constitute about 59.2% overwhelmingly disagreed that payment is an issue as they are pay on time.

# **Procurement Planning Influence on Service Delivery**

#### **Procurement Planning Decision** 40 35 30 ■ long term cost of ownership 25 20 not considered due to demand 15 10 procurement activities get in 5 motion only after budget 0 approval stongly disagree neither agree strongly disagree agree nor agree diagree

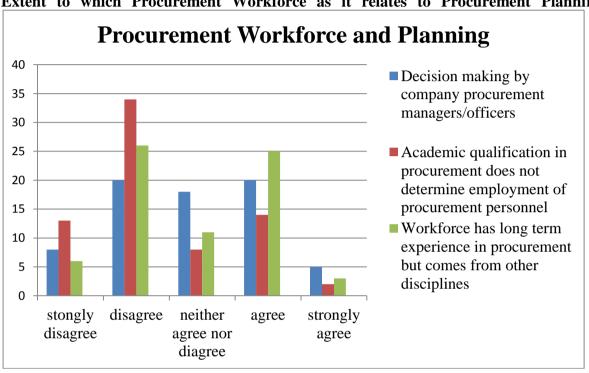
# **Understanding the Planning Implication**

Figure 4.11 Extent to which they agree with as it relates to Procurement Planning

On the issue as to if procurement planning took into consideration long term cost of ownership in the decision when planning procurement activities, the findings revealed that; 5.6% of the respondents strongly disagreed, 25.4% disagreed while, 29.6% neither agreed nor disagreed to the proposition. However, 38% of the respondents agreed that they don't consider long term cost of ownership due to demand with 1.4% of the respondents strongly agreeing to the proposition. This means that 39.4% of the respondents agreed that long terms cost of ownership are not considered in the planning aspect due to demand just above those that disagreed which stands at 31% of the respondents.

The study sought to established as to when procurement activities gets in motion, the findings revealed that; 1.4% of the respondents strongly disagreed that the procurement activities gets

in motion only when the budget are approved, 18.3% disagreed to the proposition while, 19.7% neither agreed nor disagreed to that notion. However, 53.5% of the respondents agreed that the procurement activities get in motion only when budgets are approved with 7% strongly agreeing to the proposition. This means that the majority of the respondents which represent about 60.5% overwhelmingly agreed that the procurement activities get in motion only when budgets are approved.



Extent to which Procurement Workforce as it relates to Procurement Planning

Figure 4.12 Extend to which as it related to Procurement Workforce Education and Procurement Planning

Respondents were asked as to if the procurement personnel manage or influence the spending decisions of the company procurement activities. The findings revealed that; 11.3% of the respondents strongly disagreed to the proposition that they did not manage or influence procurement activities, 28.2% disagreed while, 25.4% neither agreed nor disagreed that they do not manage the procurement nor influence the procurement activities. However, 28.2% of the respondents agreed that they do not manage nor influence the procurement activities, with 7% of the respondents strongly agreeing to the proposition. This means that most of the respondents which constitute about 39.5% disagreed that they do not manage or influence the procurement activities. This is slightly above those that say they have influence or full control over the procurement activities and this accounts for about 35.2% thereby making it almost a split decision.

Respondents were asked as to if academic qualification in procurement were used as determinant for those that get employ for the procurement department. The findings reveals that; 18.3% of the respondents strongly disagreed to the proposition that academic qualification in procurement do not determine the procurement workforce, 47.9% disagreed to the

proposition while, 13.3% of the respondents neither agreed nor disagreed to that notion. However, 19.7% of the respondents agreed that the workforce were not determined on the basis of their qualification in procurement with 2.8% strongly agreeing that the workforce are not employ on the basis of their academic qualification in procurement. This means that majority of the respondents which constitutes about 66.2% insist that the workforce are employ on the basis of their academic qualification in procurement.

Respondents were also asked as to whether personal working in the procurement department comes from other disciplines but had long term experience in the procurement practice. The findings reveal that; 8.5% of the respondents strongly disagreed that the workforce comes from other disciplines but are employ on the basis of their experience in procurement. 36.6% of the respondents also disagreed that the workforce are being employ on the basis of the experience but they do come from other discipline while, 15.5% neither agreed nor disagreed to the proposition. On the other hand, 35.2% of the respondents agreed that personnel in the procurement department comes from other disciplines but are being employ on the basic of their experience in the profession with the remaining 4.2% strongly agreeing to the proposition. This means that most of the respondents which constitute about 45% disagreed that their employment are on the basis of just experience but come from other discipline.

# **Extent to which Budgeting influence Procurement Planning**

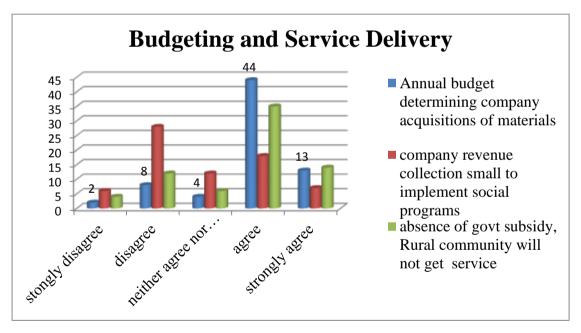


Figure 4.13 Extent to which they agree as it relate to budgeting and Procurement Planning

Respondents were asked as to what extent do they agree with annual budgeting playing a important role in the determination for the acquisitions of materials for the company to expand or connect rural communities. The findings reveal that; 2.8% of the strongly disagreed to the proposition, 11.3% disagreed while, 5.6% of the respondents neither agreed nor disagreed. On the other hand, 61.9% of the respondents agreed that budget plays an important role for the expansion to rural community while, 18.3% of the respondents strongly agreed that budget plays an important role for expansion. This means that majority of the respondents which

Published by European Centre for Research Training and Development UK (www.eajournals.org) constitute about 80.2% overwhelmingly see budgetary allocation as key determinant for expansion to rural communities.

Respondents were asked as to if the revenue collection by the company were too small for it to implement social programs that connect rural communities that are not economically viable. The findings reveal that; 8.5% of the respondents strongly disagreed that the revenue collected by the company is small to include social program for rural connectivity. 39.4% of the respondents disagreed to the proposition while, 16.9% neither agreed nor disagreed to the notion. However, 25.4% of the respondents agreed that the company's revenue collection were small to include social programs that connect rural communities with 9.9% of the respondents strongly agreeing to the proposition. This means that majority which constitutes about 47.9% of the respondent disagreed that revenue collected by the company is small for the connection of rural communities.

Respondents were asked as to if without government subsidy to the company's operation, the company cannot connect rural communities. The findings reveal that; 5.6% of the respondents strongly disagreed that government subsidy is needed with 16.9% whom disagreed that without government subsidy the company cannot serve rural community while, 8.5% of the respondents neither agreed not disagreed to the proposition. Meanwhile, 49.3% of the respondents agreed that government is needed to be able to connect rural communities with 19.7% whom strongly agreed that government subsidy is needed to connect rural communities. This means that the majority of the respondents which constitute about 69% overwhelmingly agreed that government subsidy is needed to connect rural communities.

## **Marketing Influence on Procurement Planning**

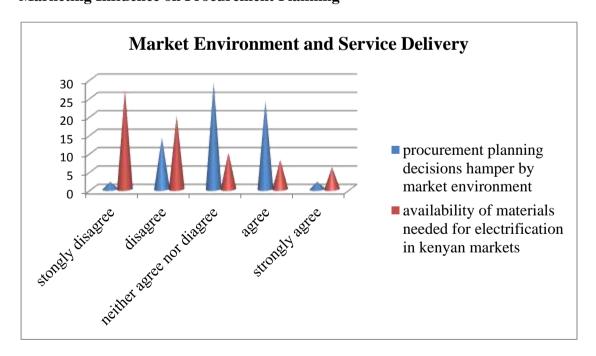


Figure 4.14 Extent to which they agree as it relates to Market Environment and Procurement Planning

The respondents were asked as to if the market environment hampers the procurement planning decisions. The findings reveal that; 2.8% of the respondents strongly disagreed that the planning decision is being hamper by the market environment, 19.7% of the respondents disagreed to the proposition that the procurement planning is hamper by the market environment while, 40.8% neither agreed nor disagreed. On the other hand, 33.8% of the respondents agreed that the market environment is hampering the procurement planning decision and the rest of the 2.8% strongly agreed to the proposition. This means that most of the respondents which is about 36.6% agreed that the market environment is hampering the procurement planning decisions with the most of respondents which make up about 40.2% staying neutral. This makes this a split decision.

On the issue of readily made materials to be procured on the Kenya market, the findings reveal that; 38% strongly disagreed to the proposition that there are not readily made and available materials on the Kenya market to be procured at anytime. 28.2% of the respondents disagreed to the proposition while 14.1% neither agreed nor disagreed to that notion. On the other hand, 11.3% of the respondents agreed that there are no readily made materials on the market that can be procure at any time while 8.5% strongly agreed to the proposition. This means that about 66.6% of the respondent overwhelmingly agreed to materials been on the market for the electricity sector and can be procure at anytime.

## **Sustainable Procurement Practices influence on Service Delivery**

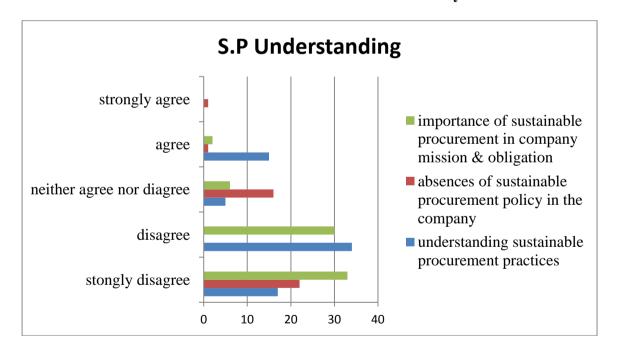


Figure 4.15 Extent to which they understand Sustainable Procurement

The respondents were asked as to if they did not understand what sustainable procurement practices are. The findings reveal that; 23.9% of the respondents strongly agreed that they do understand sustainable procurement, 47.9% agreed that they do while, 7% neither agreed nor disagreed. On the other hand, 21.1% disagreed and say that they did not understand what sustainable procurement practices are. This means that the respondents which consist of about 71.8% overwhelmingly agreed to have knowledge of sustainable practice.

The respondents were also asked as to if the company did not have a sustainable procurement policy. The findings reveal that 30.9% of the respondents strongly disagreed that the company do not have a sustainable procurement policy, 43.7% disagreed that they do not have while, 22.5% of the respondents neither agreed nor disagreed to the organization have sustainable procurement policy. Meanwhile, 1.4% of the respondents agreed that the organization did not have a sustainable procurement policy, and the rest 1.4% strongly agrees as well that the organization did not have sustainable procurement policy. This means that 74.6% of the respondents overwhelmingly agreed to the organization having a sustainable procurement policy.

The respondents were asked as to if they think sustainable procurement is not important for the realization of the company's mission and obligation. The findings reveal that; 46.5% of the respondents strongly disagreed to the proposition, 42.3% disagreed, while 8.5% of the respondents neither agreed nor disagreed to the preposition. On the other hand, 2.8% of the respondents agreed that they don't think that sustainable procurement is important for the realization of the company mission and obligations. This means that the respondents which constitute about 88.8% overwhelmingly see sustainable procurement as important for the company to realize its mission and obligations.

## Perceive Benefit and Materials availability for Sustainable Procurement Practice

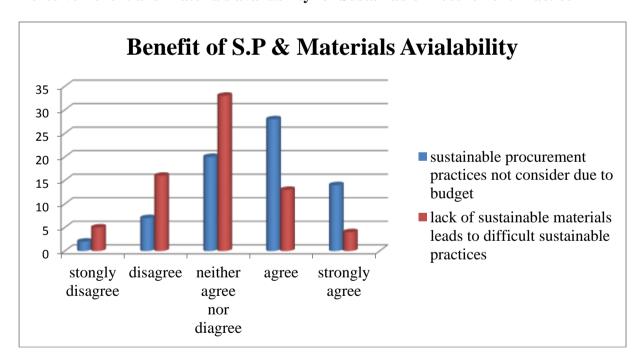


Figure 4.16 Extent to which they agree with as it relates to benefit/Material

Availability

The respondents were asked as to if sustainable procurement practices are not important due to the effect on the company budgetary allocations. The findings reveal that; 2.8% of the respondents strongly disagreed that budget was an issue to not implementing sustainable procurement, 9.9% disagreed to the proposition while, 28.2% neither agreed nor disagreed. On

the other hands, 39.4% of the respondents agreed that budget allocation was an issue in the application of sustainable procurement, and the rest which make up about 19.7% of the respondents strongly agreed that budgetary allocation was an issue. This means that majority of the respondents which constitutes about 59.1% see budgetary allocation as key to the implementation of sustainable procurement practices.

The respondents were asked as to if the lack of implementation for sustainable procurement practice is as a result of sustainable material on the market for the kind of operation the company does. The findings reveal that; 15.5% of the respondents strongly disagreed that the lack of sustainable materials was an issue, 22.5% disagreed also while, 46.7% of the respondents neither agreed nor disagreed to the proposition. On the other hand, 18.3% of the respondents see the lack of materials on the market as an obstacle for sustainable procurement implementation, while 5.6% of the respondents strongly agreed to the proposition. This means that even though 38% of the respondents disagree to materials been an issue, majority which constitute about 46.7% of the respondents remain neutral.

## Application of Economic and Environmental aspect of Sustainable Procurement

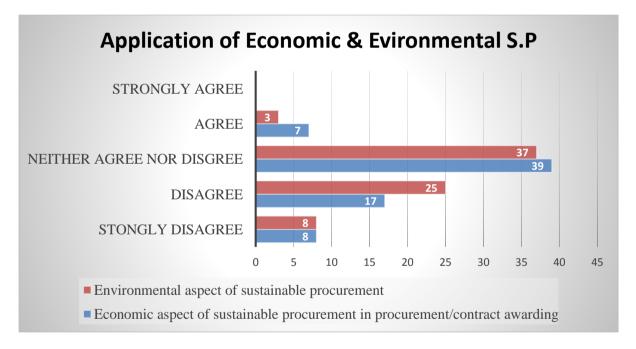


Figure 4.17 Extent to which they agree as it relates to the Economic and Environmental aspect of SP

The respondents were asked as to what extent they agreed that the company does not implement the economic aspect of sustainable procurement in its procurement and contract awarding decisions. The findings reveal that; 11.3% of the respondents strongly disagreed that they do not considered the economic aspect in the procurement and contracting decision, 23.9% disagreed as well to that proposition, while 54.9% of the respondents neither agreed nor disagreed that they don't considered the economic aspect. On the other hand, 9.9% of the respondents agreed that they do not considered economic aspect of sustainable procurement. This means that 35.2% disagreed to that proposition but the majority which constitutes about 54.9% could neither say as to what really happen.

The respondents were asked as to whether the lack of environmental criteria within the procurement and contracting decisions were on the basis of cost it brings to the organization. The findings reveal that; 11.3% of the respondents strongly disagreed to that proposition of cost being an issue, 35.2% of the respondents disagreed that cost was an issue, while 52.1% of the respondents could neither agreed nor disagreed. On the other hand, only 4.2% saw cost as an issue. This means that those that did not see cost as an issue constitutes about 46.5% of the respondents. However, the finding also means that the majority which constitutes about 52.1% remain neutral.

## **Application of Social aspect of Sustainable Procurement**

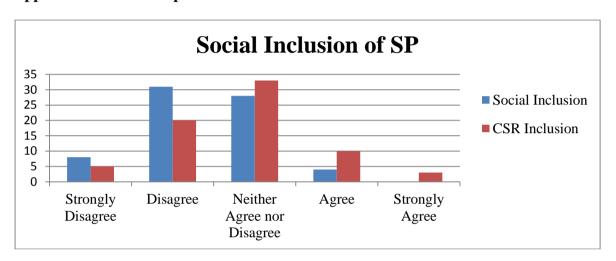


Figure 4.18 Extent to which as it relates to Social aspect of Sustainable Procurement

social aspect of sustainable procurement, it was not considered in the procurement and contracting decisions. The findings reveal that; 5.6% of the respondents strongly disagreed to cost being an issue, 39.4% of the respondents disagreed while, 43.7% of the respondents could neither agreed nor disagreed to the proposition. On the other hand, 11.3% of the respondents saw cost as an obstacle to the inclusion of social criteria. This means that most of the respondents which constitute about 45% disagreed to cost being an issue while 43.7% remain neutral.

The respondents were also asked as to whether Corporate Social Responsibilities (CSR) were the only aspect they apply which could be attributed to sustainable procurement. The findings reveal that; 7% of the respondents strongly disagreed to corporate social responsibilities been the only social aspect being implemented by the company, 28.2% of the respondents also disagreed to the proposition while, 46.5% of the neither agreed nor disagreed that CSR was the only aspect considered. On the other hand, 14.1% of the respondents agreed that CSR was the only aspect considered, and the rest of the 4.2% of the respondents strongly agreeing to the proposition. This means that the majority which constitutes about 46.5% stay neutral to the inclusion of CSR being the only aspect included

# **Application of Culture aspect of Sustainable Procurement**

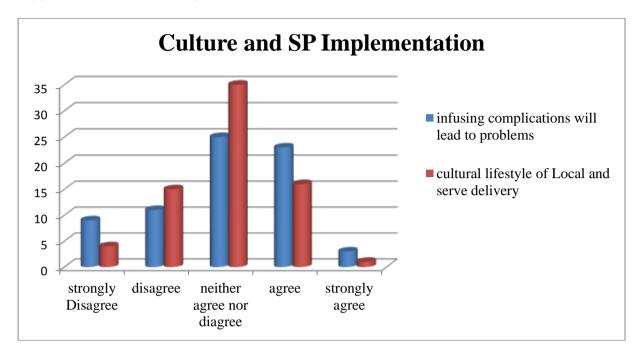


Figure 4.19 Extent to which they agree as it relates to Culture

The respondents were asked as to what extent they agree that, they have been implementing procurement in the organization and there was no need to infuse complication to the procurement activities that could bring a lot of issues. The findings reveal that; 12.7% of the respondents strongly disagreed, 15.5% also disagreed while, 35.2% neither agreed nor disagreed to that proposition. On the other hand, 32.4% of the respondents agreed that infusion of SP will lead to a lot of complication, while the remaining 4.2% strongly agreed that it will bring a lot of complication to the procurement practice. This means that most of the respondents which constitute about 36.6% see the inclusion of SP practice in the procurement activities as a complication but, they are almost slit right in the middle with those that were neutral.

The respondents were asked as to whether the cultural lifestyle of the rural community makes it difficult for the inclusion of SP practice within the procurement and contracting decisions. The findings reveal that; 5.6% of the respondents strongly disagreed that culture lifestyle of rural community plays any role, 21.1% disagreed, while 49.3% of the respondents remain neutral. On the other hand, 22.5% of the respondents agreed to the cultural lifestyle of rural community being an issue while, 1.4% strongly agreeing to the proposition as well. This means that the majority of the respondent which constitutes about 49.3% remains neutral and could not say otherwise.

#### DISCUSSION OF THE FINDINGS

#### **General Information**

The response rate is 71%. Such a response rate is viewed as being highly favorable according to Mugenda and Mugenda (2003) who assert that a response rate of 50% is adequate, 60% good and above 70% may be rated as being very good. This implies that the respondents were an adequate representation of the entire targeted population. Different gender has different opinions about various issues. The researcher wanted to find out the views of different gender interviewed. The finding shows that majority of the respondent were female at 57.75%. Further, Education level has an impact on how people respondent to different opinions. The researcher sought to establish the education level of the respondent. The findings indicated that 69% of the respondents are degree and above holders. However, it was realized that majority of the respondent from the technical departments are diploma holders as compare with the other department.

The study revealed that comparing the procurement department to others, procurement degree holders is at 84.6%, other departments at 70.8%, with the non stated department at 66.7% for those with degree and above. This is very important for the procurement department since education one have within a profession correlates with professionalism. The number of years that an individual has worked with an institution gives them better understanding of that entity and will know how it works. It was also revealed that those whom had worked within the company for 5 years and above accounted for about 79%. This means that majority of the respondent understand that institution. Kenya powers operation has so many implications on the Kenya society in general, hence respondents were asked as to how they view the operation of the company to the Kenyans society. It was revealed that, those that saw the company's operation to Kenyans as straightly business accounted for about 84.5%.

The findings revealed that, Poverty reduction was rated at 26.8% the least for the perception on electricity connections to Kenyans. This can be a factor that is slowing the service provision to rural communities since their revenue contribution to the company's operation is very small. It was revealed however that in terms of affordability and connectivity, 71.8% agreed that everyone that can afford connecting to the power grid should be and not on the basis of monthly payment. Mostly importantly, 53.5% agreed that the lack of electricity by rural communities have no effect on the company's operation. This questions was asked to understand if these respondents could see the link between the rural communities lifestyles in terms of their sources of energy which causes; deforestation, erosion, droughts, etc. It is very important to note this, since many nation in Africa has adopted energy or electricity connectivity to rural community as a key poverty reduction tool (ESMAP, 2002a) as well as means to economic growth and nation reaching the middle income status (World Bank, 2010). It was also revealed that the major challenge face by the company operations in serving slum communities is the issue of power theft. Power theft remains a major challenge to the management and they are finding way to legalized slum community within the system by means of putting them on special status. The modality of empowering the heads of cartel, those that control the illegal power theft are been considered.

### **Procurement Policy influence on Service Delivery**

Schooner and Whiteman (2000), assert that the contribution of procurement policy in facilitating an efficient and effective service delivery in the public sector organization is generally undisputed in both developed and developing countries. In order to understand the

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working of the institution when it comes to policy and its implication, it was very important to understand how the policy on procurement works within the company. In most developing countries, Electricity is nowadays considered as a national policy (IAE, 2011) and a means to achieving poverty reduction and economic growth. Hence the respondents were ask as to if national policy had an influence on their work and the company's operation. It was revealed that; 52% of the respondents agreed that the operation is influence by national policy. It was also revealed that, 57.7% agreed that the company has its own procurement policy as well. 60.6% also agreed that the company procurement activities are influence by national policy while, 60.6% agreed that the top management view the procurement departments as very important. This finding revealed that even though the organization does have its own procurement policy, the national policy has a strong influence over the company operations and is guarded by that.

Meanwhile, on the Issue of rules and regulations flexibility in practice and theory, public procurement rules and regulations have been considered as one of the most important pillars of a sound procurement system. Ideally, procurement rules and regulations should be clear, consistent, comprehensive, and flexible (Thai, 2009). The findings revealed that; 60.6% of the respondents agreed that National procurement rules and regulation governs all of the company's procurement activities, and most interestingly is the 77.5% that agreed that the national procurement rules and regulations is hampering their operation. This agrees with the variable that the procurement practice is influencing the service delivered by the company.

Furthermore, Public procurement is considered an inherently a politically sensitive activities. The interference with the procurement process by public officials has constrains compliance (Pilary, 2004). Hence, the respondents were asked as to what extent they agree to the political environment. It was revealed that, 43.7% of the respondents agreed that the procurement spending are not fully managed nor influence by the company's procurement managers or officers. It was also revealed that some procurement activities were not going through the procurement department for procurement and contracting decisions. An example capture by the findings is a case for a program being implemented by the top management called "Boresha Umeme"; this program is where a team from Mombasa and another in Nairobi are emerge and sent to a particular community to change system or connect new community.

Meanwhile, the material and equipments been used for this program does not go through the procurement process or neither is it approved by department. This is a clear interference with the procurement function by officials and a complete overlooked by the procurement department. It was also revealed that, 42.2% of the respondents agreed that the company's procurement and contracting decisions is influence by bilateral agreement. These findings revealed that political environment do have a strong influence on the procurement policy and indeed service delivery.

In addition, is the legal and contracting environment. In developing and particularly transitional countries, where legal systems are not comprehensive, government contracts may need detailed clauses defining basic principles. The rights and duty of the parties determine proper course of action (Cibinic, Jr. & Nash, Jr., 1995). Hence this section of the questionnaire was intended to understand contracting decisions that affect procurement and service delivery. The findings revealed that, 71.9% of the respondents disagreed that contracts were outsource or subcontracted on the basis of cost transfer. 46.5% of the respondents agreed that contracting practices are reason leading to higher cost of connection for the end users.

Example given by the respondent was in the case when connection to some communities is not properly done and thereby causing lost to the system. The respondents attributed this practice to the way contracts were awarded and monitor. It was revealed that the system problem has lead to about 1 billion Kenyan shillings lost in revenue due to houses not properly connected to the metering system. However, it was revealed by 42.2% of the findings that contractors do not charge high. Meanwhile, 66.2% of the in the findings revealed that contractors are causing serious problem when it comes to contract implementation. 59.2% of the respondents agreed that the contractors were pay on time and this matter most. Consequently, the legal and contracting environment as clearly seen is influencing the procurement and service delivery. This is important since revenue collection matter most for expansion and operational sustainability.

## **Procurement Planning influence on Service Delivery**

Basheka (2004), argues that procurement planning is one of the primary functions of government with the potential to contribute to the success of government operations and improved service delivery. In order to understand the factor that determine the procurement and contracting decisions, respondents were asked as to what extent they agree to issues of planning and procurement. The findings revealed that; 39.4% of the respondents agreed that long term cost of ownership are not considered when considering those to give contracts to, due to demands and the need to supply on time. It was also revealed that, 60.5% of the respondents agreed that the procurement activities only get in motion only after budgetary approval. This is a problem since the procurement process is a long a painful process, needs should be identified, specification should be done in advice alone with the technical departments and potential supplier identify so that when the budget is approves, people can be aware of upcoming request. In this case, even if request are not approved as they were given, programs can be readjusted base on short, middle and long term planning.

Meanwhile, a sound procurement system has to have a competent professional workforce equipped with defined skills and knowledge for specified procurement jobs (OECD-DAC, 2006). Creating a procurement workforce with the right skills and capabilities can be a challenge, given changes to procurement processes, the introduction or expansion of alternative contracting approaches, and increased reliance on service provided by the private sector (Government Accountability Office, 2005). The findings revealed that, 39.5% disagreed that the procurement and contracting decisions are not managed by the procurement managers and officers. This is slightly above those whom are of the contrary views and making the decision a split one. However, this finding is in contradiction with the interview of procurement activities bypassing the procurement department as in the case of the "Boresha Umeme" program. The findings also revealed that on the issue of employment, 66.2% agreed that they are employed on the basis of their educations in the procurement profession. It was also revealed by 45% whom disagreed that the procurement workforces comes from other disciplines but were employed on the basis of their experience in the profession. This means that the procurement workforce are educated in procurement and do have experience from the number of years they have been practicing.

Furthermore and most importantly, in many developing countries, governments do not have the financial and technical capability to effectively exercise such oversight and control functions, track and report on allocation, disbursement and use of financial resources (Smee,

2002). Political and bureaucratic leakage, fraud, abuse and corrupt practices are likely to occurs at every stage of the process as a result of poorly managed expenditure systems, lack of effective auditing and supervision, organizational deficiencies and lax fiscal controls over the flow of public funds (Peters *et. al.*, 2000). Hence respondents were asked as to what extends do they agree with the following statements. The findings revealed that, 80.2% agreed that budgetary allocation plays an important role in the determination and expansion to rural communities. 47.9% disagreed that the company's revenue collection is too small to include social programs that connect rural communities. Most importantly, it was revealed that 69% agreed that without the government subsidy, it will be very difficult for implement social programs that connect the rural communities. This is in contradiction with view that the company's revenues collection is enough to implement some social programs. This strongly suggest that budgetary allocation plays an important role and do influence service delivery.

In addition, the Economic or market conditions have a great influence over the public procurement system's effort to maximize competition and service delivery. Hence the respondents were asked as to what extent they agree to the following. The findings revealed that, 36.6% of the respondents agreed that the procurement planning decisions are been hamper by the market environment but this was below those 40.8% whom could neither say otherwise. It was also revealed that 66.6% agreed that there are materials needed to expand connection to rural areas are available on the Kenyan market. This is in contradiction with those pointing that the market environment is hampering the procurement planning decisions. This planning decisions being hamper by the market, could be attributed to other factors and not necessarily the issues of material availability. These findings strongly suggest that procurement planning is a factor influence service delivery and indeed Kenyan Power operations.

## Sustainable Procurement Practice influence on Service Delivery

In the light of environmental degradation, climate change, resource depletion, and persistent global poverty, the supply chain management profession is increasingly called upon to contribute to broader organizational goals of sustainable development through the inclusion of social and environmental criteria within procurement processes (Srivastava, 2007; Preuss, 2009). Hence, respondents were asked as to what extent they agree to the following statement as it relates to sustainable procurement practice within the company. The findings revealed that, 71.8% of the respondents agreed to have knowledge of sustainable procurement. 74.6% stated that the company's do have a sustainable procurement policy. While 88.8% of the respondents agreed that sustainable procurement is important to the realization of the company's mission and obligations. However, it is important to note that in the interviews, it was revealed by the respondents that they did not understand as to how they can incorporate this into the activities. This is a complete contradiction to the findings as reveal by the questionnaires. And this simply means that the workforce does not actually have the knowledge of SP.

Meanwhile, for any organization to adopt sustainable procurement in its procurement activities, it needs to see the benefit to the organization as well as those materials needed been available on the market. Hence, respondents were asked as to what extent they agree to the following statements. The findings revealed that, 59.1% of the respondents agreed that budgetary allocation was an issue for the consideration of SP practices. It was revealed that 46.7% of the respondents remain neutral on the issue of sustainable materials been availability on the market.

This means the issues on the benefit and budgetary allocation is serious issues for the implementation of SP in the organization and indeed they were not practicing.

In addition, the issues of the economical and environmental inclusion of SP criteria within the procurement and contracting decision were considered. In the consideration of sustainable procurement when it come to the application of economical aspect of SP, where goods are made or comes from leaves a foot print and so procuring closer to home make economic sense. The environmental implications are strongly looked at in terms of waste, land degradation, deforestation etc. Hence, respondents were asked as to what extent they agree to this statement. The findings revealed that on the issues for the inclusion of the environmental criteria within the procurement and contracting decisions, 54.9% of the respondents remain neutral and could not say. It was also revealed that 52.1% of the respondents again remain neutral and could not say. This simply means that the organization is not including the environmental and economical criteria within their procurement and contracting decision. This was made clear in interviews where respondents said they did not know how to include these criteria within their operations.

Organization is the combination of people, the way people works and wages they earn, interaction with the larger society and given back to the community matter most. This makes it the responsibilities of companies to check their suppliers on sustainability and, if necessary, to help them to improve (MOV, 2008). This makes the society to view that organization as part of the community at large and contributing to its survival. Hence, the respondents were asked as to what extent they agree to the inclusion of the social criteria. The findings revealed that, 45% disagreed that cost was an issue for the inclusion of the social criteria. It was also revealed that 46.5% of the respondents could not really say if corporate social responsibility was the only aspect they included within the company's operation since they do implement a lot of social programs. This means when it comes to the social aspect of SP, the company is implementing some aspect but this was as a result of their CSR activities.

Furthermore and most importantly, are the issues that have to do with organizational culture and the implementing of SP. According to Brammer and Walker (2007), the degree to which SP is implemented in an organization concerns organizational attitudes and incentives for SP. Hence the respondents were asked as to what extent they agreed to the following. The finding revealed that, 36.6% of the respondents saw the inclusion of SP criteria as adding to complication. It also revealed however that, 49.3% of the respondents remain neutral and could not say if the rural lifestyle of rural communities was an obstacle to the implementation of SP. This means that the organizational culture was a major impediment to the adaptation and implementation of SP. Consequently, it can clearly be seen and said that SP is not practice within the organization and is a factor influencing service delivered by the company.

### SUMMARY, CONCLUSION AND RECOMMANDATION

Under this section, the researchers summarizes the findings, concludes and recommends as per the study objectives and the research questions as in chapter one. From the study the following are the general information; responds rate of 71 percent, educational level of the respondents for degree and above represent 69 percent. This indicated that the respondents are of higher academic levels to understand the questions asked and in making decision as well. 58 percent of the respondents were females. The experience of the workforce, 5 years and above represented about 79 percent. This means that majority has worked with company for years and understands it workings and policies.

# **Summary of Major Findings**

The study was conducted to find out the Procurement Practices influencing Service Delivery, a case of Kenyan Power. The study involved the two largest offices of Kenya power in Nairobi County and the company's headquarter. The study involved the; Top and middle managers, Procurement departments, Finance and Auditing, Human Resource, Customer Service and Marketing, and the Transmission and Distribution departments. This study was guided by the following specific objectives;

- 1. To establish the influence of procurement policy on service delivery.
- 2. To evaluate how procurement planning influence service delivery.
- 3. To evaluate sustainable procurement practice influence on service delivery.

### Procurement Policy Influence on Service Delivered by Kenyan Power

The findings indicate that; 52% agreed to the influence of national policy on the procurement, 57.7% are aware of the company having its own procurement policy, 60.6% are also aware that that National procurement policy influence the company's procurement policy, and 60.6% also agreed that the top management view the procurement function as very important. From the rules and regulation been flexible, 60.6% agreed that the national policy governs and superseded all of the company's procurement activities, and 77.5% see the national procurement policy as hampering the company's procurement function. It was revealed that modality are been considered for the legalization and incorporation of heads of cartel and slum communities for special status.

Meanwhile when it comes to the political environment, 43.7% of agreed that the procurement activities are not fully managed nor influence by the company's procurement managers and offices. 42.2% agreed that the company's procurement and contracting decisions is influence by bilateral agreements as well. In addition to that is the legal and contracting environment, 71.9% disagreed that subcontracting is not decided on the basis of cost transfer, 46.5% agreed that contracting practices are reasons leading to higher cost of connections for end users, 42,2% disagreed that contractors charges are too high, 66.2% agreed that contractor are not adhering to contracting terms and delay in implementation, and 59.2% disagreed that contractors are not pay on time.

## Procurement Planning Influence on Service Delivered by Kenyan Power

The findings indicate that; 39.4% agreed that long term cost of ownership are not considered due to demand, 60.5% agreed that procurement gets in motion only when budgets are approved. When it comes to the procurement workforce, 39.5% disagreed that the procurement decision are not made by the procurement department. However, this is a contradiction for the findings revealed from the interview that some procurement activities are not going through the procurement department as in the case with the "Boresha Umeme". 66.2% disagreed that qualifications in procurement does not determined the workforce employed, 45% also disagreed that they are just employed in the procurement department based on their experience in the profession but not necessarily coming from procurement backgrounds. Meanwhile on the issues with budgetary allocations, 80.2% agreed that annual budget plays very important role for expanding to rural communities, 47.9% disagreed that the revenue collected by the company is small to implement social programs that connect the rural communities, 69% also agreed that without government subsidy, it will be difficult to expand to rural areas. For the market environment, 40.8% remain neutral as to if the market environment is hampering the procurement planning decisions, 66.6% agreed that there are available materials needed for connection to rural communities on the Kenyan market and can be gotten at anytime.

## Sustainable Procurement Practices Influence on Service Delivered by Kenya Power

The findings indicate that when it comes to the understanding of sustainable procurement (SP) practice; 88.8% agreed that sustainable procurement is important for the company reaching it mission and obligation, 74.6% agreed that the company have a SP policy, 71.8% agreed to understanding Sustainable procurement. Meanwhile when it comes to the benefit of SP, 59.1% agreed that SP is not been considered due to budgetary constraint; 46.7% were neutral when it comes to the availability of SP materials on the market. When it comes to the economic and environmental criteria inclusion of SP; 54.9% stay neutral for the environmental while, 52.1% are also neutral for the economic criteria inclusion. For the social aspect inclusion of SP; 45% disagreed that cost is an issue for their inclusion of the social criteria, while 46.5% stay neutral as to corporate social responsibility being the only aspect included in their operations. In addition and for the organizational cultural; 36.6% agreed that the inclusion of SP criteria will lead to complications for their operations, while 49.3% stay neutral as to rural lifestyle was an issues for SP inclusion to the procurement and contracting decisions. 53.5% don't see any link between rural lifestyle and its effect to the company's operations.

## **CONCLUSION**

The shift towards private sector participation in infrastructure financing and development began in the last few decades. This has mainly been driven by the need to address shortcomings in the performance of service delivery by public sectors; many of which became highly inefficient and caused huge drains on government resources. Kenya central government allocation is rapidly increasing. However, Leni *et al.* (2012), noted that there is a growing recognition that despite significant increases in resources, public service delivery is still falling. Even though no MDG refers to energy explicitly, improved electrical services and expanded access to electricity and mechanical power are necessary for meeting all the Goals. At current, about 70% of Kenyans many of whom and rural dwellers lack access to electricity. A sound public procurement policies and practices are among the essential elements of good

Published by European Centre for Research Training and Development UK (www.eajournals.org) governance. Irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated.

The contribution of procurement policy in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries. Its contribution can be at both central and local government levels of public sector management. However, the policy should be flexible as procurement is an involving profession. In practice and theory, these laws should be clear, consistent, comprehensive, and flexible. It was revealed that this is not the case when it comes to the procurement operation in Kenyan power. Public procurement is considered an inherently a politically sensitive activity. Meanwhile, senior officials and political leaders use public office for private gain and this has weakened the motivation to of procurement practitioners to remain honest. This ultimately interferes with the procurement process has constrains compliance. The political nature of the top management as well as their interferences with the procurement function, is leading to low productivity by the workforce. This interference with the procurement and contracting decisions is also leading to lack of proper monitoring and financial lost to the institution. This is as a result of the contracting decisions bypassing the actual contracting and procurement process. It is also clear that there is not yet a policy decision in place to addressing the issue of power theft by slum dwellers.

The contribution of procurement planning in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries. A procurement plan helps Procuring Entities to achieve maximum value for expenditures on services to be delivered and enables the entities to identify and address all relevant issues pertaining to a particular procurement before they publicize their procurement notices to potential suppliers of goods, works and services. This has not been the case when it comes to the operation within the organization. When people wait for budget to get approved before procurement activities get in motion, it hampers the service delivery level. On the other hands a sound procurement system need a competent workforces to be able to handle all situation and changes as it comes. Education is not an issue for the institution as the data revealed.

In many developing countries, governments do not have the financial and technical capacity to effectively exercise such oversight and control functions, track and report on allocation, disbursement and use of financial resources. Political and bureaucratic leakage, fraud, abuse and corrupt practices are likely to occur at every stage of the process as a result of poorly managed expenditure systems, lack of effective auditing and supervision, organizational deficiencies and lax fiscal controls over the flow of public funds. As revealed, budgetary allocations and subsidy is a major obstacle for the delivering of electricity to rural communities.

However, if the organization revenue collection is enough as revealed by the findings, procurement planning as well as expenditures control matter most. Moreover, the market determines whether or not socioeconomic objectives of procurement are accomplished; whether or not a governmental entity can fulfill its needs; the timeliness of fulfillment; and the quality and costs of purchased goods, services, and capital assets. Under a perfect competition market, "a buyer is able to achieve a solid value with little or no effort". However, majority of the respondent remain neutral when it comes to market hampering the planning decision but agreed to materials availability. That means that other issues are hampering the planning decision and indeed service delivery.

In light of environmental degradation, climate change, resource depletion, and persistent global poverty, the supply chain management profession is increasingly called upon to contribute to broader organizational goals of sustainable development through the inclusion of social and environmental criteria within procurement processes. It is cleared that the organization does have a sustainable procurement policy and that the workforce understands SP policy, but the organizational culture makes it difficult to implement SP policy. Meanwhile, it can be clearly stated that the issue of corporate social responsibility is the only aspect of sustainable procurement practice by the company. This was made cleared by the findings as to how sustainable procurement practices will lead to complications to the procurement activities. Furthermore, budgetary allocation is an issue for the implementation as this was revealed by the findings. The lifestyle of rural communities has a strong effect on the electricity sector but, the findings revealed that this is not considered. This come from the back ground of drought as result of declines in rainfalls cause by deforestation. The lower reservoir water levels and reduces hydropower affect electricity distribution. These findings strongly revealed that procurement policy, procurement planning and sustainable procurement practices implemented by the company are the factors influencing their service delivery to the Kenyan society.

#### Recommendations

As a result of these study findings, the researcher put forward the following recommendations but not limited to:

- i. The National procurement policy or rules and regulations should be review to put into place clauses that will lead to flexibility for the inclusion of emerging trends in the procurement process as procurement is an involving profession;
- ii. The top and middle management of Kenyan Power should be de-polarized. For employees to perform to their best, job security and stability counts most for performance and service delivery; The top management should ensure that the procurement department are involve in all procurement and contract related activities as this will help in ensuring that contracts are awarded to the right bidders and that contract terms and conditions are adhere to:
- iii. The planning process for electricity expansion should involve all concern departments so that planning can be done in advance before budgets are approved. The planning should take the short, middle and long term plans into consideration. This will ensure that budgetary approval does not affect the plans for expansion;
- iv. The company should put in place a monitoring team that will work along with the subcontractors to ensure that contracts are implemented to avoid system lost;
- v. Government should increase it subsidy to the company's operation. This will make it easier for the inclusion of social programs that include the rural/urban communities. This will also help for the realization of the MDG's goals and the nation reaching its economic objectives fasters;
- vi. The company should include sustainable procurement criteria within its procurement and contracting decisions;
- vii. The Company should consider long term cost of ownership even though there is a huge demand and that could affect the supply in the short run;

viii. The company should work alone with technical and innovative technicians to development metering systems that can be deploy to slum communities that can determined exactly which part of these communities consuming what levels of power, and empower the heads of the cartels that control these service. These services should be considered as a social program; people there should be given a flat rate best as possible, and not on the basis of what people consumes. If possible, let the power transmitted there be done in a way that it will not lead to lost to the company. Hence they should be charge at the minimum as possible. This will deter them from seeing it as too high and corporate.

# **Suggestion for Further Studies**

This research was intended to evaluate procurement practices influencing service delivery but, the data was collected from the central office and urban service providers. Hence, future research should focus on the rural depots procurement practices as well as the inclusion of other factors that could affect procurement. Future research should also focus on the sustainable procurement exclusion and it effect on the company's operation.

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#### **APPENDICES**

### **APPENDIX 1: Introduction Letter to Respondents**

Dear respondents,

Maurice is a student at Jomo Kenyatta University carrying out a research study on the Procurement Practices Influencing Service Delivery, A Case of Kenya Power as a partial fulfillment of the Master Degree in Procurement and Logistics. The purpose of this questionnaire is to get your views on the research study which will help the study to make conclusions and recommendations which will be of importance to the Kenya Power.

Any information given will be only used for academic purpose and won't whatsoever used for any other purpose and will be treated with utmost confidentiality. Thanking you in advance. Yours sincerely,

Maurice James Davis

Email: m21jd@yahoo.com

Tel: 0712-762-111

### **Appendix 2: Questionnaire**

Please fill the questionnaire as accurately as possible. The views expressed here are confidential and are meant for academic research only. Check the line or box provided before each questionnaire to answer.

## **SECTION A. General Information**

1.	What is your gender?
	Male
	Female
2.	What position do you hold in this company?
3.	Please indicate the highest level of Education reached?
	Degree and above
	Diploma
	Certificate
	Secondary
	Primary

Published by European Centre for Research Training and Development UK (www.eajournals.org) 4. For how many years have you worked for this company? ☐ 5 years and above  $\Box$  3-4 years  $\Box$  1-3 years ☐ Less than 1 year 5. Please list the kinds of services provided by KPLC?-----\_\_\_\_\_\_ \_\_\_\_\_ 6. How do you view electricity connectivity throughout Kenya to Kenyans? □ Business ☐ Social obligation ☐ Poverty reduction ☐ Industrial/ economic growth 7. Rural poor are very important to the economic growth of the country. --- Strongly disagree ---- Disagree III ---- Neither Agree or Disagree IV ---- Agree V ----- Strongly Agree 8. Only communities and institutions that can afford to pay bills to sustain the company operation should be connected to the power grid. ---- Strongly disagree II. ---- Disagree III. ---- Neither Agree nor Disagree IV. ---- Agree ---- Strongly Agree V. SECTION B. PROCUREMENT POLICY To what extent do you agree or disagree to the following statements; 9. The company does have its own procurement policy that governs all procurement and contract activities. ---- Strongly Disagree ---- Disagree ---- Neither Agree nor Disagree III. IV. ---- Agree ---- Strongly Agree 10. National procurement policy governs all procurement activities within the company. ---- Strongly Disagree ---- Disagree II. III. ---- Neither Agree nor Disagree ---- Agree IV. ---- Strongly Agree 11. The company's top management viewed the procurement functions as important as any other department within the company to help it achieve the missions and obligations of the company operations.

I.

I.

II.

I.

V.

I.

II.

III.

---- Strongly Disagree

---- Neither Agree nor Disagree

---- Disagree

- IV. ---- Agree
- V. ---- Strongly Agree
  - 12. The procurement decisions are influence by the managing director/ CEO.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 13. The company's procurement spending is not managed nor influence by the company's procurement managers or office.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agee
  - 14. The national procurement rules and regulations hampering the operations of the company for speedy acquisition or contractual arrangements.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 15. The company's procurement and contractual decisions is influence by bilateral Trade agreements.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 16. The procurement function is influence by national policy.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 17. Contract between the company and others subcontractors are considers on the basis of cost transfers that could affect the cost of connection by the poor to the electric grid.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 18. Contracting practices are the main reasons leading to higher cost of connection throughout Kenya.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree

- 19. Contractor charges are too high for contract we subcontract or outsource and that is the reason leading to high cost to customer especially the areas with poor infrastructures.
- I. ---- Strongly disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 20. The contractor sometimes causes problems when it comes to contract completions as well as implementations on time and that is leading to the issues with slow service to some communities.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 21. Contractors are not paid on time and this is making things difficult for the procurement department to maintain good suppliers and that is a factor leading to higher charges for those that want to take the risk.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree

### SECTION C. PROCUREMENT PLANNING

- 22. The company's procurement spending is not managed fully by the company's procurement managers or officers.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 23. An academic qualification in procurement does not determine the employment of the workforce.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 24. Person working in procurement comes from other disciplines but have long terms experience in the procurement practices.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 25. Without subsidy from government to the company's operation, the company will not be able to connect the rural communities.
- I. ---- Strongly agree

- II. ---- Disagree
- III. ---- Neither Agree nor disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 26. The company's revenue collection is too small to implement social programme such as considering rural community that are not economically viable.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 27. Annual budget play an important role in determination of acquisitions of materials for the company to expand or connect rural communities.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 28. The market environment hampers the procurement planning decisions.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 29. There are no available materials and equipments needed for electrification on the market within Kenya that can be procured at anytime.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 30. The procurement planning does not take into accounts long term cost of ownership due to demand and the need to supply on time.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 31. The procurement activities for the next year acquisitions for electricity expansion get in motion only when Budget is approved.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree

# SECTION D. SUSTAINABLE PROCUREMENT

- 32. The company does not have a sustainable procurement policy.
- I. ---- Strongly Disagree

- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 33. We don't understand what sustainable procurement practices are.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 34. I don't think sustainable procurement is important to the realization of the company's mission and obligations.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 35. We do not consider the Economical aspect of sustainable procurement in the procurements/contract awarding.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 36. We do not consider social aspects of sustainable procurement in our procurement/contracting decisions because it have a lot of monitoring implications that add to cost.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 37. The Environmental aspect of sustainable procurement is too costly so we don't infuse it at all in the procurement/ contracting decisions.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 38. The cultural life style of the rural community makes it difficult to apply sustainable procurement practices within the procurement/contracting decision.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 39. We only apply one aspect of Sustainable procurement which is corporate social responsibility to the society.
- I. ---- Strongly Disagree

- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 40. Sustainable procurement practices are not considered important due to the effect it will have on our budgetary allocations and owing to the high cost of sustainable goods and materials on the market.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 41. Applications of sustainable procurement practices are difficult due to the lack of Sustainable materials for the electricity sector for our kind of operation.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 42. The lack of Electricity by the rural communities has no effect on the company's operation.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree
  - 43. We have been doing procurement in this organization for years and it have serve the public well, so no need to infuse complication that will lead to problems and headache.
- I. ---- Strongly Disagree
- II. ---- Disagree
- III. ---- Neither Agree nor Disagree
- IV. ---- Agree
- V. ---- Strongly Agree