

**THE EFFECT OF PROCUREMENT FUNCTIONS ON PROJECT PERFORMANCE  
IN NON GOVERNMENTAL ORGANIZATIONS INNAIROBI COUNTY, KENYA**

**BY**

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## DECLARATION

I declare that this dissertation is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged

Sign..... Reg. No..... Date.....

I do confirm that I have examined the master's dissertation of

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## **ABSTRACT**

With the worldwide fluctuation in donor funding to NGOs there is need to enhance operational procurement functions that brings confidence can retain and attracts more funding by donor community. In Kenya the inefficiency and ineptness of project performance in NGO contribute to diminishing support of the donor community, increased cost of project implementation, delays in timeliness of project completion and low quality products that fail to meet the minimal standard of specification. Cost effectiveness in project performance could be achieved through strict adherence of procurement functions. However many of the NGO have partially implemented procurement functions and practices. Others are struggling to effectively set up these functions. Funding nations /donors are not trusting process that are being undertaken by NGOs. The general objective of the study was to establish effects of procurement functions such as need assessment, supplier sourcing, contract management and inventory management on project performance in Non-Governmental Organizations in Nairobi County. The study employed a descriptive research design and used questionnaires as its main data collection tool. A total of 76 NGO's were sampled using simple random sampling from a total of 328 NGO's in Nairobi County. Of these, 70 questionnaires were submitted back for analysis, representing a response rate of 92.1%. Results were analysed using SPSS version 22. Majority of the respondents indicated that these functions affect project performance to a large extent. Regression analysis results also indicated that need assessment, supplier sourcing, contract management and inventory management all have an effect on Project Performance. Upon conducting hypothesis tests, all these functions were found to have a statistically significant effect on project performance. The study therefore concluded that procurement functions have a positive effect on project performance. It therefore recommended NGO's to implement them in the execution of projects.

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background to the Study**

The most recent trade development global and regional perspectives indicate that conflicts between trading and funding are on the rise (United Nation Report, 2008). The need for trade for example has been necessitated by high levels of funds lead Dutch disease that has thus far resulted to trade being undermined. As such, many donors do not see the need to fund trading anymore. The United Nation Report of 2008 also retaliated that when the absorptive capacity of the benefiting country is weak and when Aid flows are considerable relative to GDP. However under the right conditions, funding may provide a strong impetus to development. Examples of an instance where funding improved GDP significantly are Japan Korea and Tawani of Chaina 1950 – 1957. Funding may be tied to goods and services procured from donor countries, which subsequently serve to boost the economy of the receiving country (Egger and Lassmann, 2012).

#### **1.1.1 Project Performance**

Project Implementation has been given different meaning in literature; for instance, Chan (2007) defined it as the system that represents the organizational structure adopted by clients for the implementation of project processes and eventual operations of the project. In any given project performance is highly influenced by the type of project procurement method used to deliver the project. Consequently, project clients often seek to select the best method that can help to achieve better project results. Different forms of project performance ways exists from which clients can choose from. There are terms of allocation of activities sequencing, process and procedure and organization approach in project performance.

The methods give a strong relationship with project performance outcome specifically time,

cost and quality. Yet these process pose difficulties to clients, partly due to the complex task involved in trading –off various numerous factors that underpin the selection process. Moenaaret *al* (2009) defined procurement methods as a comprehensive process by which designers, constructors, and various consultancy provide services for design and construction to deliver a complete project to the client. The success or failure of project implementation depends on the interrelated and sequential in nature and their effectiveness and efficiency. Poor performance of projects has been on the rise caused by the complex nature of procurement selection and their subsequent management that poses great difficulties to clients. At the center of the study there is great need to establish how procurement methods influence project performance.

There are external and internal factors that have to be checked in a project. Economics, political, legal, nature disasters and technology are external factors while project characteristics, client's characteristics and client's requirements belong to the internal environment. Alzahrani and Emsley (2013) compared success criteria as measured by contractors and clients and found out that clients put more emphasize on satisfying the needs of other stakeholders, while contractors emphasis on minimizing project cost and duration. In addition they found that all project stakeholders put products satisfying owner's needs as the first criteria. Thus project success can be measured differently from the perspective of the different parties and there is need for deep understanding of project implementation.

### **1.1.2 Procurement Functions**

Procurement is becoming an issue of public attention and debate, and continues to be subjected to reforms, restructuring, rules and regulations. Public procurement refers to the acquisition of goods, services and works by a procuring entity using public funds. Even though several NGO in Kenya are taking steps to refine their public procurement systems, the process is largely still shrouded by secrecy, inefficiency, corruption and under cutting. In all

such cases huge amounts of resources are wasted (Panda and Sahu, 2012). In the presence of an efficient procuring functions in NGO's the donors would be willing to fund for more towards projects in Kenya.

The principle reason for the enactment of the Procurement Act was to have a legal regime that weeds out inefficiencies in the procurement process, remove patterns of abuse, and the failure of the public purchaser to obtain adequate value in return for the expenditure of public funds, In Kenya the Country Procurement Assessment Report of Kenya in 2003 revealed that in most State Corporation, staffs responsible for procurement were not procurement proficient though trained. A number of procurement managers from many organizations tend to ignore deliberately the application of procurement functions in Kenya as indicated by the Assessment of the procurement system in Kenya (2007). This is mostly because of vested personal interest. Due to the colossal amount of money involved in NGO procuring process and the fact that money comes from the public in form of donation, there is need for accountability and transparency (Lentz, Passarelli and Barrett, 2013).

The major obstacle however has been inadequate regulatory compliance. Boström, Jönsson, Lockie, Mol and Oosterveer, (2015) confirmed that non-compliance problem affects not only the third world countries but also countries in the European Union. Additionally, compliance in public procurement is still a major issue. While analyzing procurement issues in Malaysia, Said, Alam and Aziz, (2015) established that procurement officers were blamed for malpractice and non-compliance to the procurement policies and procedures. An organization outcome, compliance has traditionally been understood as conformity or obedience to regulations and legislation. Bureaucratic delays in payment of contractors and suppliers have also been cited as some of ways in which compliance is a challenge.

The issue of public procurement non- compliant has triggered a lot of debate in recent years

Despite reforms in South Africa, procurement functions were mentioned as one of the weakness that contributed to the impasse to employment as a strategic tool (Pooe, Mafini and Makhubele, 2015). There are deviations of human behavior in relation to compliance. However Grimm, Hofstetter and Sarkis (2016) contended that very little research has so far been conducted on organizational misbehaviors and non-compliance in purchasing and supply management. Public procurement functions are employed as a vital instrument for achieving economic, social and other objectives. However, it is regrettably an area vulnerable to mismanagement and corruption. The leadership and Integrity Regulation Act (2015) requires that public officers who receive “Value Gift” surrender it to a public entity. These valuable gifts shall be deemed to be public property and shall be received and disposed of in accordance with provisions of the Public Procurement and Asset Disposal Act 2005.

In accordance to the act donation that are received by NGOs are required to be used or disposed of in line with provisions of the public procurement and asset Disposal Act. Public Procurement in Kenya is governed by the Public Procurement and Asset Disposal Act 2015. Procurement has become an integral part of corporate performance and is increasing attention of all public organization much more than the private sector. There are most critical challenges that none Governmental Organizations are facing to bridge the divide. Procurement in many NGO is still fighting to exist as most of them have become reluctant to accept and structure systems. It is now widely accepted in international development policy cycles that Aid, also known as development assistance, has not achieved its primary goals of alleviating poverty. Indeed, the number of people living in extreme poverty has increased.

The ineffectiveness of AID has been attributed to factors such as the Donor countries, policy tying Aid to specific conditions, the provision of Aid against the background of persistent protection of markets in the donor countries and bad governance in the recipient countries. There are several stalled development projects and actual procurement expenditure is

normally higher than budgeted. However, the scenario can appear more different in Non-Governmental Organization. Procurement comprises actions taken by the purchasing organization to integrate supply chain in order to reduce costs and time and increase productivity. Procurement establishment has been defined as the act of obtaining by care or effort, acquiring or bringing about. Procurement is the business management function that ensures identification sourcing, access and management of the external resources that an organization needs or may need to fulfill its strategic objectives. Procurement exists to explore supply market opportunities and implement resourcing strategies that deliver the best possible supply outcome to the organization, its stake holders and customers. Procurement applies the science and art of external resource and supply management through a body of knowledge interpreted by competent practitioners and professionals. Australasia (2014).

### **1.1.3 NGOs in Kenya**

There appear to be a collective emerging phenomenon that thousands of motivated, well-intentioned NGOs provide public goods in a compelling proposition and it is easy to conjure up a glowing vision of how these efforts focuses on problem solving. However, the strengths of NGO model also produce weaknesses that negate the overall achievement. Private non-profit organization receives most of its funds from only a few private sources such as through donations from single family or corporation. A number of public non-profit organizations do receive goods from the public in monetary donations which requires a proper acceptable process of procuring goods and services that is in line with public procurement Act of Kenya 2005 that has been upgraded and renamed The Public Procurement and Disposal Act 2015. Kenya Gazette Supplement No.207, (Acts No.33).

Huge sum of money is pumped into NGOs by individual donors, foundation , corporations, and governments .Often what an NGO can and cannot do is linked to where the money comes from, dramatically affecting the effectiveness and neutrality of NGOs. There are emerging

many challenges in funding issues following the global economic crisis and donors will always want to know how their money will be used in project intended. Procurement contributes more than two thirds of the used amount of money which is very critical.

## **1.2. Problem Statement**

The purpose procurement functions in nongovernmental is to ensure that in a harmonized procedure, all goods and services purchased by public institutions are done in a way that ensures a careful, economic and efficient use of public resources. It is also to ensure that transactions are devoid of corruption, but are done in fairly, plainly and in a transparent manner, whereas encouraging competition among local players. In a lot of government Organizations howbeit, the public procurement process is sheltered with concealment, incompetence and bribery (Nyakundi, et al., 2012) Studies have shown that there are procurement operational lapse that are leading to poor service delivery and consumer dissatisfaction which has become a global challenge, (OECS), April 2013. The performance of procurement functions in many organizations rarely seems satisfactory to the community and donors.

Several studies have been conducted in the field of donor funding but focused on different aspects other than procurement functions and performance of NGOs in project implementation. Ajwang (2009) studied the relationship that exists between organizations performance. Ouma (2012) studied factors affecting implementation of donor funded projects in Kenya. On the other hand Lensink and Morrissey (2000) researched on the effect of aid on economic growth of recipient countries. Studies on how procurement functions affect in project performance in NGOs remains scanty hence this study seeks to determine the effects of procurement functions on performance of NGOs. The researcher wishes to investigate on how procurement functions in NGOs are executed and the resulting outcome on project

performance in various NGOs in Nairobi County Previous studies have not concentrated on the role of procurement functions in NGOs in Kenya and the effects on project performance. This thesis will use Nairobi County as a case study as Kenyan scenario portrays a lack of the literature on this front. The researcher aims to contribute to this emerging literature.

### **1.3 Research Objectives**

#### **1.3.1 General Objective**

The general objective for this study was to establish the effects of procurement functions on project performance in NGOs in Nairobi County:

#### **1.3.2 Specific Objectives**

Specific objectives were as follows

- i. To determine the effect of need assessment on project performance on non-governmental organization in Nairobi County
- ii. To examine the effect of supplier sourcing process on project performance on non-governmental organization in Kenya
- iii. To examine the effect of contract management performance on non-governmental organization
- iv. To determine the effect of inventory management on project performance on non-governmental organization in Nairobi County

### **1.4 Research Questions**

- i. What are the effects of need assessment on performance of NGO's in Nairobi County?
- ii. What are the effects of suppliers sourcing on procurement performance on NGO's in Nairobi County?

- iii. To what extent does contract management on a project affect project performance in organizations in Nairobi County?
- iv. Do what extent does inventory management affect project performance in non-governmental organization in Nairobi County?

### **1.5 Justification of Study**

Procurement functions are of great significance in the NGO's in Kenya. The study wished to focus on the NGO's that are based in Nairobi. Nairobi County is one of the counties with the highest population and with the highest number of NGOs. By 1990, there were over 400 NGOs registered with government (NGO coordination Bureau 2006). The record of July 2017 of Kenya Plex puts the number of NGOs in Nairobi County at 328. They provide education, health care, child and women assistance and employment. Most of them funded internationally others locally. To the scholars and academicians, this study would be useful in enriching the body of knowledge and would also help them in carrying out further and related studies in public procurement as this study availed critical information in formulation of policies and regulations in alignment with procurement functions.

The study would help general public both at national level and the county level to obtain valuable procurement information from the findings. The knowledge base that would be obtained provided in-depth of strategies that NGOs can apply in procurement geared at remaining cost effective in operations. Through the research it would be established as to whether there is need to enforce the regulatory laws which are mandatory in public sector in procuring of goods and services to none governmental organization.



Competition for funding is increasing day by day and demands for transparency and accountability, and increased regulations of both for-profit and non-profit organizations, boards are coming under pressure to be more effective in their strategic and governance roles. Organizations are seeking better methods with which to govern and procurement entities are becoming more aware of the strategic benefits of utilizing the knowledge and skills of expertise in procurement functions. The study research will provide inside to policy makers in NGOs in Nairobi County on the effects of procurement functions on performance of NGO. This findings will invariably be of great help to the policy makers in reviewing and designing policy on procurement officer in the NGOs. These findings will assist policy makers to make regulations and policies that highly consider having procurement departments and skilled employees who can lead to high performance

The donors play a very important role in the field of economic empowerment, with the help of the study they will be able to know the value of procurement functions hence put in more resources on the equipping of NGOs. The stakeholders such as donors and partners would find the study findings and recommendations very helpful to them .For instance, they will be assured that funding process in NGOs is perfect and the donations reflect the needs of the people (recipients to funds). This in turn will create confidence and assurance to the donors. This study aims to gather information that will assist non-profit and voluntary sector procurement units across the country to become more cost effective in procurement enhance trust to the donor community by ensuring value for money. Even though other studies have identified various issues and challenges faced by non-profit sector, none has offered a comprehensive set of solutions or successful practices to deal with those issues. In essence it is hoped that the researcher will influence funding agencies and government policy makers in developing more meaningful policies for non-profit and voluntary organizations.

## **1.6 The Scope of the Study**

Due to the diversity of factors affecting procurement establishment this study focused on functionality of procurement activities in NGO's, and the effects on performance on project, holding and disposal of goods procedure and the application of PPDA of 2015 of Kenya. The study was limited to procurement officers NGOs in Nairobi County.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

The chapter will provide information from publications on topics related to the research problem. It examines what various scholars and authors have said about the concept of procurement functions in private entities. In this chapter the concept of procurement functions that will include need assessment, supplier sourcing process, contract management and inventory management on project performance will be covered which will focus on theoretical review that will focus on procurement functions in none governmental organization and the effects on project performance.

### **2.2 Theoretical Review**

The world today of donor funding is complex in nature and is being noticed in the academic researches and scholars debates. It is common for scholars to focus on certain perspectives of aid and policy framework instead of developing consistent foreign aid theories, (Van der Veen, 2011). This section will deal with 4 theories, agency theory, stewardship theory, resource dependency theory and stake holders' theory.

#### **2.2.1 Agency Theory**

The agency theory embraces facts that the parties involved in project develop varying interests in approaching tendering process, valuation process. Relationship that exist within parties may be referred to as agency .Parties have an agency relationship when they cooperate and engage in an association that allows one part (the principle) delegates decisions and work to work to/or another (an agent) to act on its behalf (Tenhiälä, Rungtusanatham and Miller, 2017).

The baseline underlying agency theory is that; potential goal conflicts exist between

principals and agents; each party acts in its own self-interest; there are frequent similarity between principals and agents; agents are more risk averse than the principal; and efficiency is the effectiveness criterion. Two potential problems stemming from these assumptions may arise in agency relationships: an agency problem and a risk-sharing problem (Xingxing 2012). There are agency problem when agents' goals differ from the principals' and it is difficult or expensive to verify whether agents have appropriately performed the delegated work (i.e. moral hazard). The ethical and moral issues arise from the manner donor underlines the manner in which a project should be implemented.

This problem also arises when it becomes difficult or expensive to verify that agents have the expertise to perform the delegated work (i.e. adverse selection) that they claim to have. A risk-sharing problem arises when principals and agents have different attitudes towards risk that cause disagreements about actions to be taken (Xingxing 2012). According to the theory party (the principle) contracts another (the agent) to perform some services on their behalf. The principle passes on decision making authority to the agent Macolgan (2001). The difference between buyers and suppliers will result in the two parties concerning themselves only with their self-interests (Xingxing 2012). Agency theory determines how procurement managers execute procurement practices on behalf of donor funding agencies. Existence of poor principle agent relationship leads to low level of top management commitment and this also affects the relationship between institutions and the suppliers. Existence of conflict of interest amongst the agents leads to execution of procurement practices against the standard policies which leads to waste of time in tendering and cancelling of tender advertised and loss of procurement funds.

The public procurement Act requires all stakeholders to assess the processes involved in the procurement and to know the efficiency and reliability in the procurement processes. Importantly is to recognize the flaws and challenges inherent in the system of procurement in

order to correct them. These can be achieved through a formal procurement audit, among others. The agency theory model anchored on the fact that information asymmetries and pursuant of self-interests, principles lack basis to trust their appointed agents and will seek to mitigate these concerns by putting in place mechanisms to align interests of agents with principle and to reduce the scope for information asymmetries and opportunistic tendencies (Keng'ara 2013). The study thus will use this model to determine the effect of need assessments in procurement planning policies for effective project performance in procurement functions in non-governmental organization in Nairobi County.

### **2.2.2 Stewardship Theory**

This theory was developed by Donaldson and Davis in 1991 and 1993 respectively. The ideal motive which directs managers to accomplish their job is the desire to perform excellently. This theory is based on the assumption that that managers are stewards whose behaviors are aligned to the objectives of the principals. It implies that managers have an intrinsic satisfaction when firm performance improves and organization success is attained. The implication of the theory is that managers are also motivated by non- financial factors like challenging work, the opportunity to exercise responsibility and authority as well as gaining recognition from peers and their managers.

It is critical for the organization to build a structure which allows for symphony between principles agents. Turning to the firm's leadership, the structure which allows for symphony between principles is where there is CEO duality. In such a scenario the powers of the chairman of the board (responsible for board processes) and CEO (responsible for operational issues of the organization) are vested in one office. Donaldson and Davis indicated that such a structure allows an ambiguity in the CEO role as power and authority over lower ranking managers and other board members is then vested in one office. Procurement functions can enjoy the consistency in leadership style, unity of direction as well as command. The process

of amalgamating the role of CEO and the board chairman drives down the cost of agency while enhancing performance Abdula and Valentine (2009). Apart from supporting CEO duality, proponents of stakeholders theory favor majority of insiders directors and argue that they have superior knowledge of procurement functions in an organization thus take a shorter time to make decisions; they are more effective at evaluating the performance of top managers and utilize their expertise to ensure high quality procurement performance at all levels. According to Letting et al., (2012) the inclusion of more executive directors in the boards of companies would lead to more effective and efficient decision which include supplier sourcing.

### **2.2.3 Resource Dependence Theory**

In resource dependency theory nations that are developed actively keep developing nations in alert position, often through economic force by instituting sanctions in a subservient position, often through proscribing free trade policies attached to loans granted by World Bank or by International Monetary Fund ( Sunkel 1966) .The theory of dependency goes way back in 1949 where it was observed that the terms of trade for underdeveloped countries relative to the developed countries had deteriorated over time, the underdeveloped countries were able to purchase fewer and less manufactured goods from the developed countries in exchange for a given quantity of their raw materials. In dependency theory the degree of dependency increases as time goes on wealthy countries are able to use their wealth to further influence developing nations into adopting policies that increase the wealth of the wealthy nations, even at their own expense.

Similarly they are able to protect themselves from being turned on by the developing nations, making their system more very secure as time goes on. In describing poverty Alkire and Santos (2013) indicated that the level of poverty in Sub Sahara is an evidence of the developing needs. The evidence by Chen and Ravallion (2000) in the describing poverty puts

the global number people living with below poverty line of \$ per day in sub-Sahara Africa at 298 million up from 168 million.

#### **2.2.4 Stakeholder Theory**

The success of a firm is a complete function of successful management of the various relationship that a firm has with stakeholders considering that less can be achieved without stakeholders, and the organization would cease to exist is that which is enriched in stakeholders theory. The year 2004 saw the revision of the Organization for Economic Cooperation and Development (OECD) principles which changed the principle from their narrow focus on the traditional shareholder centered corporate governance practice to a wider one which is accommodative of the various interests of different stakeholder of a firm.

In their well cited study (Grover & Malhotra (2003) extensive investigated on the application of transaction cost theory in supply chain management. In their empirical study of 1000 purchasing managers, they conclude that transaction cost theory applies to organizational supply chain management in four facets: effort, monitor, problem, and advantage. Transaction cost theory is primarily concerned with the direct economic factors in organizations and hence fails to address some important aspects of the operation of organizational supply chain, including personal and human relations among other actors in the supply chain.

#### **2.2.5 Project Performance**

In a large scale organization, project managers oversee two types of groups. One of which includes project team members permanently assigned to the project office under the project manager 's authority while the other group consists of subject matter expert from the organizational technical and support department Dunn,( 2001) ;Harrison,1981, p.17.Project managers are responsibility include meeting project objectives for schedules, budgets and

assessing alternatives, assessing risks, and deciding how to accept, avoid, remove, or mitigate them, leading the initiative to successful completion. One of the gurus of project management, coined the term ‘democracy’ to describe the use of teams in organizations Cleland (1996). The team (as the building block of the networked enterprise) displaces the traditional bureaucratic hierarchy of successive levels of pyramided authority.

In a democracy, teams’ formation leads to the lattice network of cross-functional/cross-organizational projects that integrate the activities of the work groups and reflect their empowerment, dedication, trust, loyalty and commitment.

## **2.3 Empirical Review**

In this section the researcher reviews literature related to the research problem and both the independent and dependent variables. We have had studies carried out on procurement before the public procurement and Disposal Regulations of 2006 that evaluated the efficiency of the procurement process in existence at the time (Kipchilate, 2006). The major findings of the studies were that public procurement was not operating efficiently and that the state was losing a lot of money through shoddy deals. This section will focus on various procurement functions in nongovernmental organizations and their relationship with project performance and wrap up with NGO’s procurement performance in line with time and cost

### **2.3.1 Need Assessment and Project Performance**

A procedure is a system of sequential steps or techniques for getting a task or job done (Lyons and Farrington, 2012). They are formal arrangements by means of which policies linking strategies are implemented. They further clarify that a cluster of reliable procedures, each comprised of a number of operations that together, provide information enabling staff to execute and managers to control those operations, is called a system. Therefore, procedural procurement ensures orderliness and efficiency in any procurement department, (Burt *et al*,



2004), further adds that, procedural procurement is vital due to considerable amounts of money spent annually in the public sector.

Procurement department should observe procedural transactions for the good of the population given the fact that expenditure incurred is the taxpayer's money. This implies that public sector purchasers are accountable to the public whose money is spent, including those who tender and potential suppliers who may be disappointed. They must produce procedures and practices which will stand up either to scrutiny during government audits or to the challenge through the courts of any purchasing decision that has been made. The chief purpose of public accountability is to prevent abuses of taxpayer's money. Planning scope refers to the period in which the budget will cover. The planning scope will be crucial in how the budget is drawn that is if they are budgeting for long term project or short term.

It will assist in planning for activities and ascertain how next year might change and steps to be taken to respond to the changes. Purchasing budgeting procedures involves various steps before the final budget is arrived at. The process usually starts at various departments depending on the department needs for the coming financial year. The budgeting process is then developed to a manager's budget that is developed by the management. This process must be followed to make the employees own the purchasing budget allocation (CIPS, 2002).

Adell, Esquerra and Estevan (2009) indicated that needs assessment encourages innovation through procurement. They further found that need assessment provides transparency and clarity during procurement process and guarantee the product quality by the third party certification. They further pointed out in their report that most countries which included Spain, UK, Denmark, Portugal and Sweden that participated in procurement assessment have a Green/ Sustainable Public Procurement (GPP/SPP) strategy or action plan that minimizes the environmental impacts purchasing. However the level of commitment varies from one

organization to another. Customer request, legal requirement, market demand, and business needs are the fundamental approaches of setting project performance process. A well-defined project can reduce the risk of changes and delay during project scope definition. A scope definition can be arrived at with effective needs identification which can alleviate the risk of inadequate design that can lead to expensive changes or even project failure (Fageha and Aibinu, 2014)

### **2.3.2 Supplier Sourcing Process and Project Performance**

In Ghana, public purchasing process is mandatory by Act 663, (2003) that a formal procurement assessment or appraisal is required to determine performance. The performance of the Procurement process within the public system may be a direct or an indirect yield of the processes depending on the objectives, goals, expectation and customer satisfaction. (Sollish and Semanik 2007). The foremost thing for consideration during the procurement process is identifying the specific needs, how to pay for these needs and a review of the whole output. (Emmert and Crocker 2008; Baily et al 2005; Burt et al., 2006). In Ghana there is a direct correlation between public sector procurement procedures and the functioning of set targets that are achieved. The tenets of Ghana's Public Procurement Act 663, (2003) have laid down procedures that states that, specified amounts set planned for specific use must follow previously determined sub-processes in purchasing a product. These procedures usually provide guidance on the period, value, supply time and availability rate of the product which are crucial to the vital performance of the functions of purchasing.

Selecting a proficient and dependable contractor is one of the greatest problems consumers who wish to achieve project success face (Fong and Choi, 2000; Kumaraswamy and Anvuur, 2008). Bid assessments can encompass many diverse factors, for example, cost, technical capability, management aptitude, previous experience, the object of reference, environmental

and quality management systems, financial solidity and concerted skills (Lam *et al.*, 2001, Eriksson & Laan, 2007; Malmberg, 2007). Other authorities have considered the procurement practices to be similar to the supply chain management practices which is the set of activities undertaken by an organization to promote effective management of its supply chain (Koh *et al.*, 2007); as the approaches applied in integration, managing and coordination of supply, demand and relationships in order to satisfy clients in effective way (Wong *et al.*, 2005); as tangible activities/technologies that have a relevant role in the collaboration of a focal firm with its suppliers and/or clients (Vaart and Donk, 2008); and as the approach to involve suppliers in decision making, encouraging information, sharing and looking for new ways to integrate upstream activities. During the negotiating process, parties should think carefully about the kind of commitments they should be prepared to make. One way to build trust is to create a commitment structure that can be implemented in stages. The key to negotiating a beneficial outcome is the negotiators' ability to consider all the elements of the situation carefully and to identify and think through the options. Organizations are required to seek the best value of working relationship for short term and long operations with suppliers.

### **2.3.3 Contract Management and Project Performance**

A number of Managers have considered the procurement practices to be similar to the supply chain. Hyer (2010) explains that planning involves identifying the purpose, defining the scope Sound, determining customer requirements (user needs) and cost, assigning responsibilities and other activities According to Brown and Hyer (2010), monitoring refers to any tracking system from a simple checklist to sophisticated dashboard style approaches, for identifying variances from the original plan. They advance the argument that as part of the planning process, a project team should agree on the appropriate approach for monitoring key performance indicators (KPIs) during the life of the project.

The two scholars also define project control as the set of processes, decisions, and actions

involved in responding to project variances. Project control thus portends a project change management process for deciding when changes are appropriate and when to stay the course. Chandra (2008) avers that control is critical to implementation success in so far as it compels regular comparison of performance against targets, a search for the causes of deviation, a commitment to check adverse variances. Brown and Hyer (2010) have anchored their argument for monitoring and control on the fact that there are several phenomena which influence project execution and cause actual performance to depart from planned performance.

These phenomena include: Scope Creep; which describes the tendency for a project to grow beyond its initial size. It is caused by the team members' enthusiasm; unanticipated issues discovered mid-project and redefinition or clarification of customer needs. Murphy's Law; espouses the principle that anything that can go wrong may go wrong. Pareto's law; postulates that 80% of project's problems and delays are caused by 20% of project activities. An effective project monitoring system should focus on activities that carry the highest risks for delay, cost over-runs, or performance challenges; and lastly, Escalation of Commitment principle which states that human beings tend to continue pursuing failing courses of action, even when all signals point to the fallacy of the strategy. Thus a procurement project contract monitoring system can have a significant influence on people's decisions to escalate or de-escalate commitment. Most donors require that funding recipients evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

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#### **2.3.4 Inventory Management and Project Performance**

Inventory management is a complex decision making process that requires analysis of multiple criteria parameters, which in practice are usually non-deterministic in nature. Decisions are made in conditions of uncertainty. The most popular classical methods for determining inventory levels include Economic Order Quantity (EOQ) model, the Re-Order Point (ROP) models and Re-Order Cycle (ROC) , Krzyzaniak, Cyplik, ( 2007 ).Safety stock aims to cover the unexpected changes in the demand ,Grzybwska, (2010).Inventory Management (IM) is an inter-disciplinary concept,Larson and Halldorsson (2004).

Inventory management revolves around a cross- functional and across the boundaries of the firm; Ellram and Cooper, (2014). Halldorsson et al (2007) argues that key aspects of inventory include the design and management of the structure through inter-organizational relationships. According to the 17th Annual State of Logistics Report Wilson (2006), business logistics cost as a percentage of US gross domestic product has grown to 9.5 percent, and of the over \$1 trillion spent on logistics, approximately 33 percent is attributed to the cost of holding inventory. Thus, inventory management research is critical in procurement.

Inventory programs can make inventory commitment more efficient and improve customer service. In a recent examination of the future of the discipline of logistics and logistics research, Davis –Sramek And Fugate (2007) uncovered that leading discipline visionaries feel that one area in which logistics researchers must focus on is coordination and

collaboration, and subsequently, the inventory management literature published in logistics journals has evolved in recent years in that direction. Inventory management according to Heizer and Render (2006) indicated that businesses hold these stocks for various reasons, including protection against general shortages or potential problems with suppliers, or, because unit price rises may be imminent. Nevertheless, the literature focuses upon stock replenishment policies.

Typically, the resultant inventories enable firms to perform a service economically, without the beneficiaries suffering any untoward delays. Thus inventory planning and control bears great significant. Carter and Ferrin,(1996) argued that the order placing discipline minimizes the cost of transferring goods , besides shortening the associated lead times and that there are sufficient incentives for the parties to cooperate because the recipients pays for the upstream storage and freight in one way or another. Effective inventory management depends on understanding all the details of what is inventory management. By applying lean practices to all aspects of the inventory management cycle, businesses can reduce investment in standing inventory, plant rental, shipping costs, reverse logistics while maintaining or improving customer service levels and in-stock metrics on critical inventory. (Confessore, Rismondo and Stecca, (2004).

The other sensitive area of inventory is the movement of materials as they go through the various stages of operations which is referred to as goods or work in progress inventory which involves tracking of materials as they are used to create finished goods that helps to identify the need to adjust ordering amounts before the raw materials inventory can get dangerously low or are inflated to unfavorable level Murphy (2007)

### **2.3.5 Project Performance and Measurement**

Lysons and Farrington (2006) espouse the view that successful project performance is about converting a strategic plan into action and doing what needs to be done to achieve the targeted strategic goals and objectives. According to Brown and Hyer (2010), effective project implementation or success can be measured on the basis of time, cost and quality (performance), commonly known as the triple constraint. These three factors represent the Key Performance Indicators (KPIs). To establish whether a project has been effectively implemented, or better still, if the project has been successful, one has to go back to the initial project goals of time, cost and quality (performance) and be able to measure the extent of their individual achievement. This model is premised on the principle of interdependency, whereby each constraint affects the others. For example, if a project requires more time, the cost is likely to rise. Likewise, a higher performance may lead to increased project cost. There are reforms in public procurement processes geared at plunging the public procurement sectors, encouraging competition, transparency, efficiency and ensuring accountability. However there challenges in implementing that include poor dissemination of procurement law Azeen (2003) lack of proper training for the managers of the procurement process.

Forgor (2007), Obanda (2010), Eya and Oluka (2011) carried their study in Kenya however the study did not incorporate variables such as staff training, ICT Impact level of awareness and top management support which previous researchers have deemed significant to compliant (Lisa, 2010, Trpt, 2005). Further to that none of the aforementioned studies investigated the effects of procurement performance NGOs leaving acknowledge gap which this study intends to fill by using agent theory, Stewardship theory, Resource dependence theory and Stakeholders theory to develop propositions for the Antecedents and consequences in an empirical studies on procurement practices in NGO's in Kenya. Project

Management Body of Knowledge guide (PMBOK) defined estimates as a developed approximation of the monetary resources needed to complete activities. The accuracy of cost estimates starting from the planning phase of a project through the tender estimate can affect the success or failure of a planned project. Many failures of planned project are as a result of cost escalations (Gkritza and Labi, 2008) .Earned Value is a management technique that relates resource planning to schedule and technical performance requirements. Earned Value Management (EVM) is a systematic that uses earned value as the primary tool for integrating cost, schedule, technical management and risk management

#### **2.4 Research Gap**

Tremendous improvement has been made in Kenya in regard to procuring procedures in organizations. However, there seem to appear a lack of functionality of regulatory which is yielding to poor service delivery. The literature review is evident that studies been have done on Procurement Practices and its benefits to the organization. Whereas procurement practices may cut across several sectors, it may not be the case with procurement practices in the NGOs sector, which focuses on organizational performance not in terms of profit made, but services rendered to the citizens. It is therefore clear that there is need to find out the effects of procurement functions in organizational performance. Literature review which is discussed above is primarily focused on the Procurement Practices, identified a number of potential factors that affecting performance.

However, it has become apparent from this review, that there are a number of significant gaps in the current literature in relation to the uptake and adoption of implementation on procurement practices. Kenya is one of the countries where procurement planning is a fundamental function that impacts on effective or ineffective service delivery. There is no part of local government service delivery that does not depend on procurement planning; and



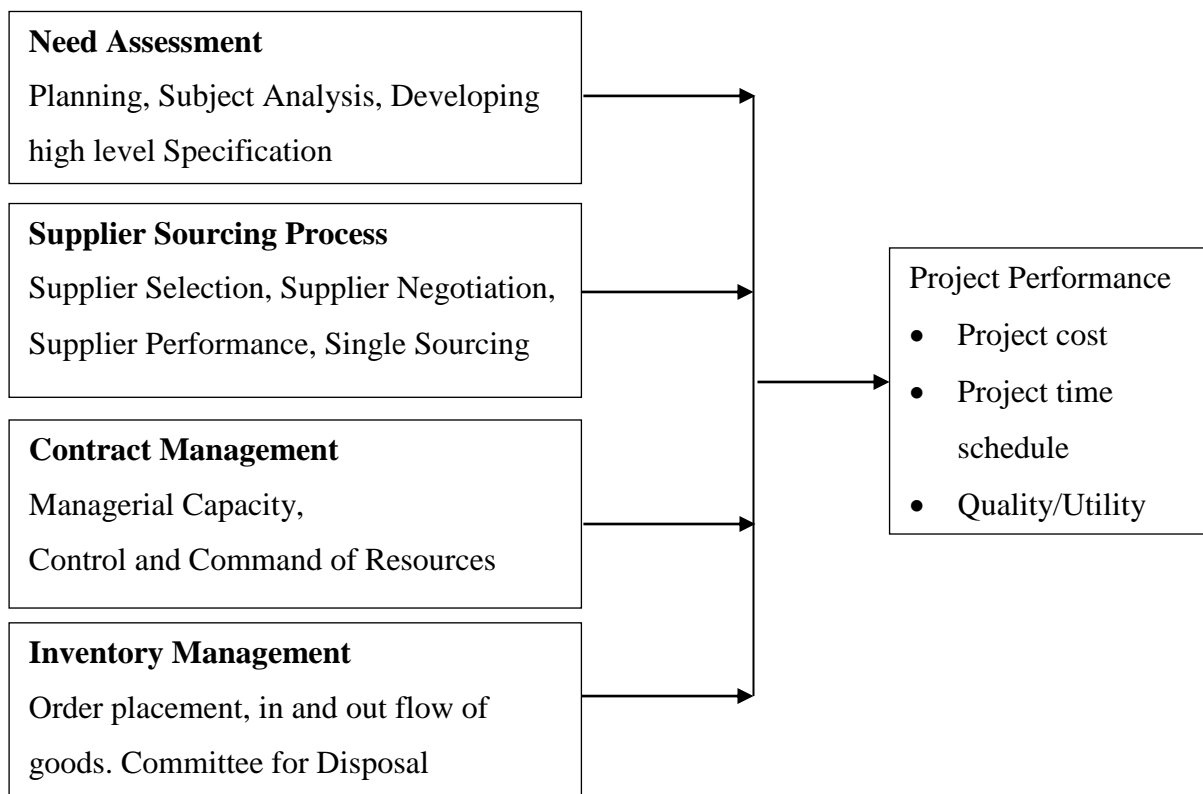
yet the area remains a neglected field of research. It is expected that compliance to law, better risk assessment and cost effective procurement (Saleemi, 2010) will lead to improved and effective performance of non-governmental organization in Kenya.

## 2.5 Conceptual Framework

A conceptual framework is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation. Inventory activities that include stock control and disposal process are paramount to secure project performance. The research aimed to study the correlations of procurement functions on the level of performance amongst NGO's in project performance. The research aimed to describe and explain the benefits that accrue. The schematic diagrams below not only guided the study but also showed the interrelationship among the key variables in the study as illustrated in figure 2 4.1

### Dependent Variables

### Independent Variable



**Figure 2. 1 Conceptual Framework**

## 2.6 Operationalization of Variables

**Table 2. 1 Operationalization of the variables**

<b>Type of Variable</b>	<b>Variable</b>	<b>Indicator</b>	<b>Level of Measurement</b>	<b>Data collection Method</b>
Dependent	Project Performance	-Reduced project cost -Reduced time wastage -Proper resource Utilization -Improved product quality -Accountability of procurement funds. Quality project performance	Ordinal	Questionnaire
Dependent	Employee Commitment to need assessment	-Skills level -Personal Characteristics -Level of Education	Ordinal	Questionnaire
Independent	Supplier Management	-Supplier score card -Supplier turnover -Supplier payments	Ordinal	Questionnaire
Independent	Contract management level involvement	-Effective communication -Key decision making -Clientele Satisfaction	Ordinal	Questionnaire
Independent	Inventory management	-Stores management practices -Economic Order -Lead Time	Ordinal	Questionnaire

## **2.7 Research Hypothesis**

The following will be the research hypothesis;

- i. H<sub>0</sub>1: Employee Commitment to need assessment does not have a significant effect on Project Performance of NGO's
- ii. H<sub>0</sub>2: Supplier Management does not have a significant effect on Project Performance of NGO's
- iii. H<sub>0</sub>3: Contract management level involvement does not have a significant effect on Project Performance of NGO's
- iv. H<sub>0</sub>4: Inventory management does not have a significant effect on Project Performance of NGO's

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the research methodology that was followed in this study. Research methodology includes the steps that are assumed by a researcher in studying the research problem as informed by logic (Garg and Kothari, 2014). The research presented the methodology that was used to carry out the survey, what informed the selection of the research design, the target population, sampling method to be used, data collection instrument and how data was analysed, interpreted and presented.

#### **3.2 Research Design**

This study adopted descriptive research design. This is because the information concerning the current status of the phenomenon to describe what “what exists” with respect to variables or conditions in a situation and their relationship was obtained (Garg and Kothari, 2014). The survey involved a process of collecting data in order to answer questions concerning the current status of the subject (Mugenda and Mugenda 2003). The researcher intended to carry out a survey which involved collection of data from a sample of NGOs in Nairobi County which is considered as a representation of the whole industry.

#### **3.3 Target Population**

Target population is the collection of elements that possess the information sought by researcher (Orodho, 2005). According to Kombo *et al* (2006) a population refers to the entire group of persons or elements that have at least one thing in common. Target population is defined as all members of a real or hypothetical set of people, events or objects to which a study wishes to generalize the results of the research study (Bryman and Bell, 2007). The population of interest in this study included all NGOs registered in Nairobi County.

### 3.4 Sampling and Sampling Procedure

In Order to come up with the sample, the study employed a simple random sampling method will be used in the study. This method was used because it's easy in assembling the sample, it is inclusive of the population and it lacks subjectivity selection which makes it reasonable to make a true generalization. (Mugenda and Mugenda, 2003). The perfect sample is directly related to the type of research one is conducting. Slovene's formula, a random sampling technique formula to estimate sampling size, was employed by this study. It is given by the following:

$$n = \frac{N}{(1 + N(e)^2)}$$

Where n- Sampling size

N-total population,e-level of confidence

Based on this formula, a sample of 76 NGOs were used in the study to which questionnaires targeted one procurement staff from each organization to include a total of 76 respondents. These none profit making NGOs were those that carry out Charitable, Children Welfare, Education, Health, Humanitarian, Poverty Alleviation, Relief Providers and Refugees as indicated in Table 3.1. This gives a total of 328 NGO's (See Appendix II).

**Table 3. 1 Sectoral Distribution**

Sector	Frequency	Percentage
Charitable	16	21%
Children Welfare	15	18%
Education	10	13%
Health	6	8%
Humanitarian	6	8%
Poverty Alleviation	10	13%
Relief Providers	3	4%
Refugees	10	13%
Total	76	100%

### **3.5 Research Instruments**

Primary data was collected using questionnaires which are to be administered by the researcher with the help of two research assistants. The questionnaire comprises the questions which are to be answer ring questions related to the study objectives. The closed ended questions provided alternatives of answers from which respondents had selected the answer because they are easier to analyse and are economical in terms of time.

### **3.6 Validity and Reliability of the Instruments**

Reliability refers to how consistent the instrument is far as its measurement of the variables is concerned (Goafshan 2003). The researcher employed the test-retest reliability test, where the consistency of the questionnaire was evaluated over time. Cronbach's alpha (Using SPSS version 22) was used to test for internal consistency that revealed whether the content of the questions was reliable.

### **3.7 Data Collection Procedure**

Prior to actual data collection pilot test was done with research instruments so as to test the clarity of the questions for face validity. This was done by giving 10 respondents the questionnaires. The unclear questions were corrected. Questionnaires were then administered or dropped and then picked latter after four to five days.

### **3.8 Data Processing and Analysis**

To identify and eliminate errors and bias rating made by respondents thereafter data was edited. Coded numbers were then assigned to each answer of survey question and out of which a coding list or frame was obtained. The coded items were then analysed with the aid of computer software for analyzing data. Descriptive statistics such as frequency distribution, measure of central tendency that is mean, standard deviation were used.

The statistics included mean. Regression Analysis was used to analyse the data presentations that was done in pie charts, bar graphs and tables. According to Mugenda & Mugenda (2003), data analysis is the process of bringing order, structure and meaning to the mass of information collected. The information was codified and entered into a spreadsheet and analyzed using Statistical Package for Social Sciences (SPSS). SPSS Version 22 has got descriptive statistics features that assist in variable response comparison and gives a clear indication of response frequencies (Mugenda & Mugenda, 2003). The questionnaire was vetted to make sure that its content are able to measure all variables involved in the study.

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

Where

Y= Project Performance

X<sub>1</sub> = Need Assessment

X<sub>2</sub> = Supplier Sourcing

X<sub>3</sub> = Contract Management

X<sub>4</sub> = Inventory Management

$\epsilon$  = Error term

$\beta_0$  = Constant,

$\beta_1$  = Coefficient associated with X<sub>1</sub>

$\beta_2$  = Coefficient associated with X<sub>2</sub>

$\beta_3$  = Coefficient associated with X<sub>3</sub>

$\beta_4$  = Coefficient associated with X<sub>4</sub>

### **3.9 Ethical Considerations**

It is important to note that the code of ethics was approached via three main themes namely ethical treatment of research participants, competence and honesty. These themes formed the basis upon which the researcher conducted the research. This includes respect for persons as well as their beneficence, i.e. the process of ensuring that the well-being of participants and justice which is equity will ensure professional research.

The researcher also avoided discrimination while conducting its research. All procedures and conduct in the study were scrutinized and approved by the school and department at the KCA University. Consent for the inclusion of subjects in this study was sought through a consent form that was read and presented to the informants for their approval or disapproval. Privacy and confidentiality of the information was guaranteed provided and there was voluntary participation and withdrawal from the study at any stage without victimization. The study results were made available to the world of academia in the university libraries. Respondents will be assured of confidentiality, no victimization and only those who were willing actually participated.



## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1 Introduction

This chapter presents the analysis, presentation and interpretation of the data collected from the questionnaires.

#### 4.2 Reliability Test Results

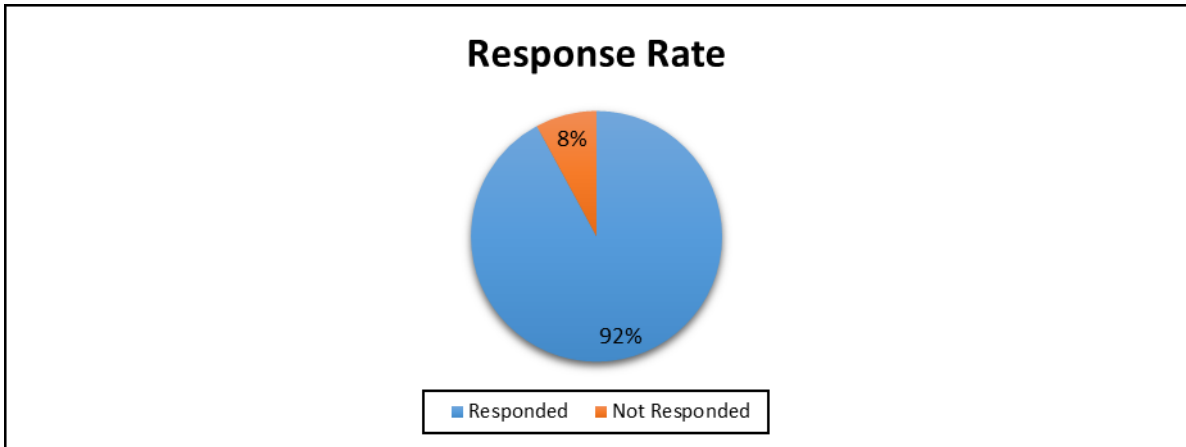
The study used Cronbach's reliability test to determine the reliability of the questions used to describe the variables in the study. This test also revealed whether the scale used by the study was reliable. According to Bonnet and Wright, (2015) when the alpha value is at  $\alpha \geq 0.9$ , then it is said to be excellent, between  $0.9 \geq \alpha \geq 0.8$  is said to be Good, between  $0.8 \geq \alpha \geq 0.7$  is acceptable while between  $0.7 \geq \alpha \geq 0.6$  will be questionable. Table 4.1 indicates that this study's alpha value was 0.921 therefore reveals an excellent internal consistency.

**Table 4. 1 Reliability Test**

Cronbach's Alpha	N of Items
0.921	33

#### 4.3 Response Rate

A total of 76 questionnaires were administered to respondents selected from NGO's that were selected to take part in the study. 70 were successfully re-submitted for analysis, representing a response rate of 92.10% as illustrated by figure 4.1. This response rate was deemed substantial to draw conclusions about the entire population of NGO's in Nairobi.



**Figure 4. 1 Response Rate**

### 4.3 Demographic Information

The study investigated the demographic statistics of the respondents who took part in the study including their gender, age bracket, highest level of education and their working experience.

#### 4.3.1 Gender, Age and Education of Respondents

Regarding the gender of the respondents, the study found that 40 of the 76 respondents were female while the remaining 30 were male. This represented a 57.1% and 42.9% female and male representation respectively, implying that gender parity was achieved during the research.

The age bracket of the respondents was also sought and reported in table 4.2 below.

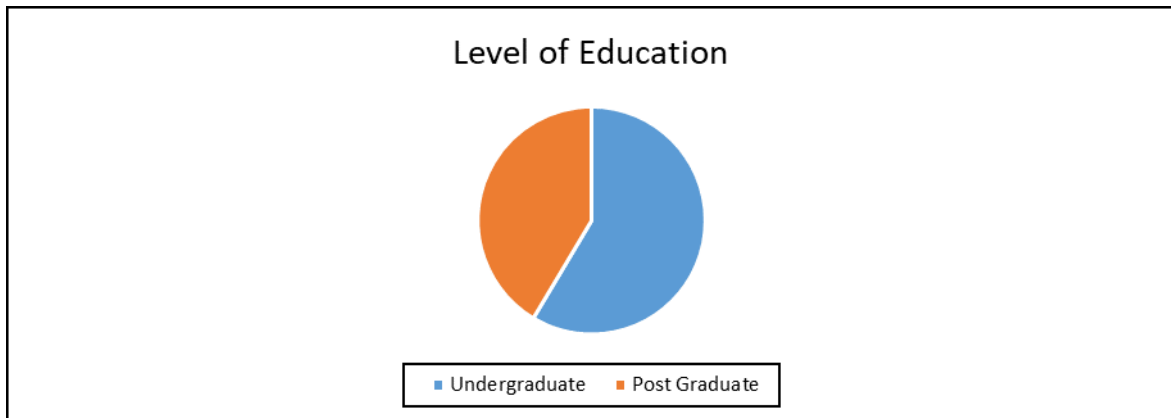
**Table 4. 2 Age Bracket of the Respondents**

Age Bracket	Frequency	Percent
20-25	23	32.9
26-30	34	48.6
31-35	13	18.6
<b>Total</b>	<b>88</b>	<b>100</b>

The study established that majority of the respondents was between the age of 26 and 30 years. This was represented by 48.6%. 32.9% of them were between 20 and 26 years while the remaining 18.6% were between 31 and 35 years.

Generally, therefore, the respondent's age was between 21 and 35, implying that the respondents sought after were at the right age to participate in the study and give informed answers to the questionnaire.

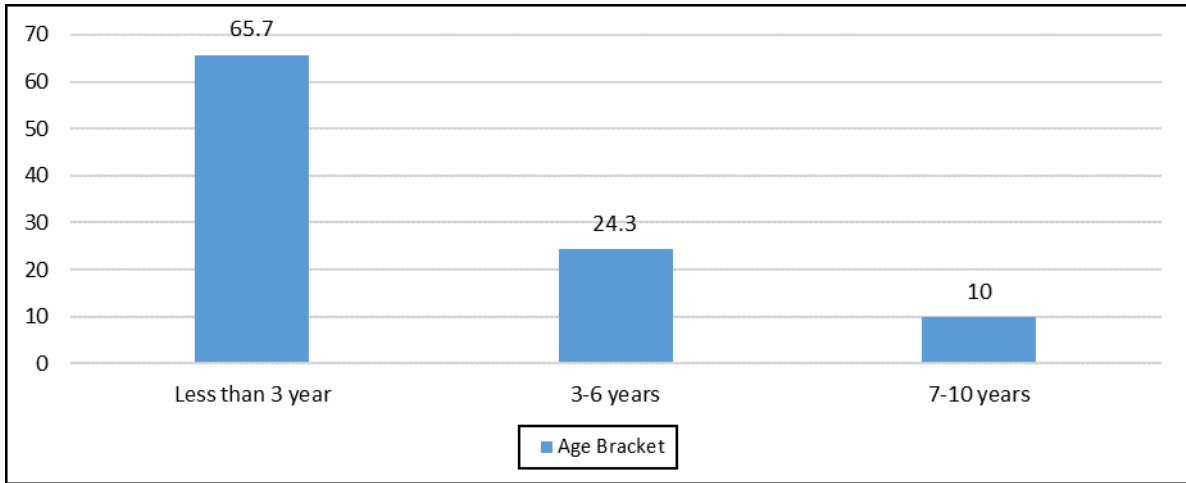
The study also sought to identify the level of education possessed by each respondent that took part in the study. It was revealed that 58.6% of the respondents had attained undergraduate level while 41.4% had attained post-graduate level of education as indicated by figure 4.2. The significance of this is that the respondents included in the study were knowledgeable enough to understand the questions being posed to them in the questionnaire. This also means that the researcher included the right people to partake in the study.



**Figure 4. 2 Level of Education**

#### **4.3.2 Work Experience**

The study further sought to know the duration of time the respondents had been holding their positions in the procurement department of their respective NGO's. The study findings are as shown in Figure 4.3



**Figure 4. 3 Age Bracket**

The study found that majority of the respondents had worked in procurement department for less than 3 years as represented by 65.7%. Next were those who had worked between 3 and 6 years at 24.3% and finally those who had worked between 7 and 10 years at 10%. This further indicates that the respondents chosen had experience regarding the topic of study and are therefore in the best position to answer the questions.

#### **4.4 Descriptive Statistics Results**

This section presented the descriptive results of the main objectives as obtained from the respondents. These objectives were structured to the effect of need assessment, supplier sourcing process, contract management and inventory management on project performance on non-governmental organization in Nairobi County.

##### **4.4.1 Need Assessment**

Table 4.3 presents that respondent’s feedback on the effect of Need Assessment on Project Performance of NGO’s as indicated by the respondents on each question.

**Table 4. 3 The effect of Need Assessment on Project Performance**

Question	Very Low Extent		Low Extent		Moderate Extent		Large Extent		Very Large Extent		Mean
	f	%	f	%	f	%	f	%	f	%	
Annual Procurement Report	0	0%	0	0%	12	17.1%	21	30.0%	37	52.9%	4.36
Procurement Database	0	0%	0	0%	12	17.1%	33	47.1%	25	35.7%	4.19
International competitive bidding	0	0%	0	0%	12	17.1%	35	50%	23	32.9%	4.16
Procurement review committee	0	0%	0	0%	25	28.4%	27	38.6%	18	25.7%	3.90
Advertising	0	0%	0	0%	23	32.9%	32	45.7%	15	21.4%	3.89
Procurement Plans	0	0%	0	0%	24	34.3%	30	42.9%	16	22.9%	3.89
Scorecard for Procurement Evaluation	0	0%	2	2.9%	22	31.4%	29	41.4%	17	24.3%	3.87
Need functions, planning, assessing the risk	0	0%	2	2.9%	21	30%	34	48.6%	13	18.6%	3.83
<b>Average</b>											<b>4.01</b>

The study found that majority of the respondents believe that Need Assessment affects Project Performance to a large extent as indicated by a mean of 4.01. Processes such as having their annual procurement report (mean= 4.36), having a procurement database (mean= 4.19), international competitive bidding (mean= 4.16), procurement review committee (mean= 3.90), advertising (mean= 3.89), having procurement plans (mean=3.89), having a scorecard for procurement evaluation (mean=3.87) and finally having need functions, planning and assessing the risk (mean= 3.83).

#### 4.4.2 Supplier Sourcing Process

The study also sought to investigate the effect of supplier sourcing process on project performance of NGO's in Nairobi.

**Table 4. 4 The Effect of Supplier Sourcing Process on Project Performance**

Questions	Very Low Extent		Low Extent		Moderate Extent		Large Extent		Very Large Extent		Mean
	f	%	f	%	f	%	f	%	f	%	
The implementation of the purchasing manual is complete	0	0%	0	0%	10	11.4%	34	38.6%	44	50.0%	4.44
The workers of the NGO serve suppliers objectively	0	0%	0	0%	16	18.2%	40	45.5%	32	36.5%	4.20
NGO management has fully implemented procurement policy	0	0%	0	0%	29	33.3%	34	38.6%	25	28.4%	4.10
NGO has procurement functions are in line with PPDA (2015)	0	0%	0	0%	25	28.4%	38	43.2%	25	28.4%	4.04
The process involved in project implementation are efficient	0	0%	0	0%	24	27.3%	34	38.6%	30	34.1%	3.93
Proposals are made and submitted to all potential suppliers	0	0%	0	0%	37	42.0%	33	37.5%	18	20.5%	3.90
NGO employees have fully adopted acceptable tendering regulation	0	0%	0	0%	31	35.2%	31	35.2%	26	29.5%	3.84
NGO organization is linked up to its suppliers and end users	0	0%	2	2.3%	27	30.7%	37	42.0%	22	25.0%	3.80
<b>Average</b>											<b>4.03</b>

An average mean score of 4.03 implies that the respondents believe that supplier sourcing process affects project performance to a large extent. Majority of the respondents believe that

the implementation of the purchasing manual is complete (mean= 4.44), the workers of the NGO serve suppliers objectively (mean= 4.20), NGO management has fully implemented procurement policy (mean= 4.10), NGO has procurement functions are in line with PPDA (2015) (mean= 4.04), that the process involved in project implementation are efficient (mean= 3.93), that NGO organization is linked up to its suppliers and end users (mean= 3.90), that NGO employees have fully adopted acceptable tendering regulation (mean= 3.84) and finally that proposals are made and submitted to all potential suppliers (mean= 3.80).

#### 4.4.3 Contract Management

This study investigated how Contract Management affects Project Performance. Results obtained from the respondents are as described in Table 4.5.

**Table 4. 5 The Effect of Contract Management on Project Performance**

Questions	Very Low Extent		Low Extent		Moderate Extent		Large Extent		Very Large Extent		Mean
	f	%	f	%	f	%	f	%	f	%	
Delivered are goods rejected due to non-conformity to specification	0	0%	6	8.6%	34	48.6%	27	38.6%	3	4.3%	3.39
The organization appraises the suppliers you use in a year	0	0%	7	10.0%	17	24.3%	26	37.1%	20	28.6%	3.84
Suppliers honour their obligation.	0	0%	2	2.9%	20	28.6%	30	42.9%	18	25.7%	3.91
Procurement department go through process needs of organization	0	0%	0	0%	12	17.1%	31	44.3%	27	38.6%	4.21
Contracts of the organization managed fairly and justly	0	0%	0	0%	25	35.7%	27	38.6%	18	25.7%	3.90
Most projects completed in timeline	0	0%	1	1.4%	13	18.6%	31	44.3%	25	35.7%	4.14
<b>Average</b>											<b>3.89</b>

On average, most respondents believed that contract management affects project performance to a large extent as indicated by a mean score of 3.89. Specifically, they believed that the following are affected to a large extent; Procurement department go through process needs of organization (mean= 4.21), Most projects completed in time (mean= 4.14), Suppliers honour their obligation (mean= 3.91), Contracts of the organization managed fairly and justly (mean= 3.90), the organization appraises the suppliers you use in a year (mean= 3.84) and finally that delivered are goods rejected due to non-conformity to specification (mean= 3.39)

#### 4.4.4 Inventory Management

Finally, the study sought to find out the effect of Inventory Management on Project performance. Table 4.6 presents the results.

**Table 4. 6 The effect of inventory management on project performance**

Questions	Very Low Extent		Low Extent		Moderate Extent		Large Extent		Very Large Extent		Mean
	F	%	f	%	f	%	f	%	f	%	
Procuring of goods and services add to cost reduction to the organization	0	0%	0	0%	0	0%	36	51.4%	34	48.6%	4.49
Able to deliver quality service to end users of the project	0	0%	1	1.4%	3	4.3%	50	71.4%	16	22.9%	4.16
Organization level of reduction in inventory costs	0	0%	0	0%	22	31.4%	23	32.9%	25	35.7%	4.04
Rate your Organization level of stores management practice	0	0%	2	2.9%	16	22.9%	30	42.9%	22	31.4%	4.03
Inventory purchases often fail to meet the demand and supply principle	0	0%	0	0%	20	28.6%	32	45.7%	18	25.7%	3.97
<b>Average</b>											<b>4.14</b>



An average score of 4.14 also implies that respondents believe the effect of inventory management on project performance is to a large extent. They agreed that procuring of goods and services add to cost reduction to the organization (mean= 4.49), NGO's are able to deliver quality service to end users of the project (mean= 4.16), organization level of reduction in inventory costs (mean= 4.04), organization level of stores management practice (mean= 4.03) and that inventory purchases often meet the demand and supply principle (mean= 3.97).

#### 4.5 Regression Analysis Results

Regression analysis results were discussed under this section.

##### 4.5.1 Regression Coefficients

**Table 4. 7 Coefficient Table**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.510	1.408		1.073	.287
	Need Assessment	.057	.022	.032	2.590	.031
	Supplier Sourcing Process	.023	.010	.015	2.300	.027
	Contract Management	.032	.011	.017	2.909	.021
	Inventory Management	.029	.013	.284	2.231	.042
a. Dependent Variable: Project Performance						
Critical t value = 1.66724						

From the coefficient table 4.8, the following regression equation was obtained.

$$Y = 1.510 + 0.057 X_1 + 0.023 X_2 + 0.032 X_3 + 0.029 X_4.$$

Where

Y= Project Performance

X1 = Need Assessment

X2 = Supplier Sourcing

X3 = Contract Management

X4 = Inventory Management

The coefficients were interpreted as follows;

$\beta_1$  - coefficient for Need Assessment = 0.057 implies that holding Supplier Sourcing , Contract Management and Inventory Management constant, a unit increase in Need Assessment will increase Project performance by 5.7%.

$\beta_2$  - coefficient for Supplier Sourcing = 0.023 implies that holding Need Assessment , Contract Management and Inventory Management constant, a unit increase in Supplier Sourcing will decrease Project performance by 2.3%.

$\beta_3$  - coefficient for Contract Management = 0.032 implies that holding Need Assessment , Supplier Sourcing and Inventory Management constant, a unit increase in Contract Management will increase Project performance by 3.2%.

$\beta_4$  - coefficient for Inventory Management = 0.029 implies that holding Need Assessment , Supplier Sourcing and Contract Management constant, a unit increase in Inventory Management will increase Project performance by 2.9%.

The study therefore concluded that need assessment was the procurement function that had the highest effect on project performance at 5.7%, followed by contract management at 3.2%, then inventory management at 2.9% and finally supplier sourcing at 2.3% increase effect.

#### **4.5.2 Model Summary**

The model summary table was presented as follows;

**Table 4. 8 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.628 <sup>a</sup>	.395	.387	.16244
a. Predictors: (Constant), Inventory Management, Supplier Sourcing Process, Need Assessment, Contract Management				

The model summary Table 4.8 indicates an R-Square of 0.395. This implies that 39.5% of the independent variable, which were inventory management, supplier sourcing process, need assessment, contract management explained the independent variable, which was project performance.

#### 4.6 Diagnostic Test Results

##### 4.6.1 RESET Test Results

The study employed ANOVA test to test the significance of the regression line and whether any variables were omitted. This test was an F test.

**Table 4. 9 ANOVA Test Results**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.431	4	.108	4.303	.004 <sup>b</sup>
	Residual	1.636	65	.0251		
	Total	2.067	69			
a. Dependent Variable: Project Performance						
b. Predictors: (Constant), Inventory Management, Supplier Sourcing Process, Need Assessment, Contract Management						
Critical F= 2.51304						

Finally, the ANOVA table 4.9 was used to check for any omitted variables or irrelevant variables. This test indicates a statistically significant F calculated value of 4.303 because it is less than Critical value = 2.51304. The significance of this is that the regression equation generated by the study predicts the dependent variable significantly well as indicated by a p value of  $p = 0.005 < 0.04$ . This implies that the line is a good fit.

#### 4.6.2 Heteroscedasticity Test Results

The Breusch-Pagan Test for heteroscedasticity was also used to check that there is a constant variance in the fitted variables. Table 4.10 indicates these results.

**Table 4. 10 Breusch-Pagan test statistics and sig-values**

	<b>LM</b>	<b>Sig</b>
BP	0.796	.939

Null hypothesis: heteroscedasticity not present

Alternative Hypothesis: heteroscedasticity is present

Rejection criteria: Reject the null hypothesis if significant value less than 0.05

Conclusion: Significant value greater than 0.05 hence fail to reject null hypothesis. This implies that heteroscedasticity is not present.

#### 4.6.3 Variance Inflation Factor Results

VIF tests revealed that the variance inflation factor of Need Assessment was 2.890, Supplier Sourcing 3.061, Contract Management 2.092 and Inventory Management had 3.703. From these findings, the study concluded that there were low levels of multicollinearity since all the values were less than 5 (Cohen, Cohen, West and Aiken, 2013).

**Table 4. 11 VIF test results**

<b>Variable</b>	<b>VIF</b>
Need Assessment	2.890
Supplier Sourcing	3.061
Contract Management	2.092
Inventory Management	3.703

## **4.7 Hypothesis Testing**

This section presents the results of the hypothesis testing that was carried out by the study.

### **4.7.1 Employee Commitment to Need Assessment does not have a Significant Effect on Project Performance of NGO's**

The first hypothesis was that Employee Commitment to Need Assessment does not have a Significant Effect on Project Performance of NGO's. The alpha value used was 0.05. From table 4.7, a calculated t value was revealed as 2.590. Comparing it to critical t value obtained from statistical tables ( $t_{69, 0.05} = 1.66724$ ), then it was concluded that since calculated t value was greater than critical t value, the study rejected the null hypothesis, implying that Employee Commitment to Need Assessment has a Significant Effect on Project Performance of NGO's.

### **4.7.2 Supplier Management does not have a significant effect on Project Performance of NGO's**

The second hypothesis was that Supplier Management does not have a significant effect on Project Performance of NGO's. Similarly, the alpha value used was 0.05. Calculated t value obtained from table 4.7 was 2.300. Comparing it to critical t value obtained from statistical tables ( $t_{69, 0.05} = 1.66724$ ), the study rejected the null hypothesis since calculated t value was greater than critical t value. This implied that Supplier Management has a significant effect on Project Performance of NGO's.

### **4.7.3 Contract management level involvement does not have a significant effect on Project Performance of NGO's**

The third hypothesis was that Contract management level involvement does not have a significant effect on Project Performance of NGO's. The study tested this at 0.05 level of significance and revealed a calculated t value of 2.909 (See Table 4.7).

This was compared to a critical value of  $(t_{69, 0.05}) = 1.66724$ . It was concluded that the null hypothesis was to be rejected because the calculated value of  $t$  was greater than the critical value of  $t$ . This implies that Contract management level involvement has a significant effect on Project Performance of NGO's.

#### **4.7.4 Inventory management does not have a significant effect on Project Performance of NGO's**

Finally, the study conducted a test to investigate the claim that Inventory management does not have a significant effect on Project Performance of NGO's. Similarly, an alpha level of 0.05 was used. From table 4.7, a critical  $t$  value of 2.231 was reported, which compared to a critical  $t$  value obtained from statistical tables  $(t_{69, 0.05}) = 1.66724$ , the study rejected the null hypothesis because calculated value of  $t$  was greater than the critical value of  $t$ . This implied that Inventory management has a significant effect on Project Performance of NGO's.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary of the study, conclusions, recommendations, limitations of the study and suggestions for further study.

#### **5.2 Summary of Findings**

This study was set out to investigate the effect of procurement functions on project performance in non-governmental organizations in Nairobi County, Kenya. Its main objectives included to find out the effect of need assessment, supplier sourcing processes, contract management and inventory management on project performance of NGO's in Nairobi, Kenya. The study employed a descriptive research design and used questionnaires as its main data collection tool. A total of 76 NGO's were sampled using simple random sampling from a total of 328 NGO's in Nairobi County. Of these, 70 questionnaires were submitted back for analysis, representing a response rate of 92.1%. Results as indicated by the respondents on each specific objective were as follows;

##### **5.2.1 Need Assessment**

Respondents indicated that need assessment affects Project Performance to a large extent as indicated by a mean of 4.01. Majority of them indicated that processes such as having their annual procurement report (mean= 4.36), having a procurement database (mean= 4.19), international competitive bidding (mean= 4.16), procurement review committee (mean= 3.90), advertising (mean= 3.89), having procurement plans (mean=3.89), having a scorecard for procurement evaluation (mean=3.87) and finally having need functions, planning and assessing the risk (mean= 3.83) affect procurement performance to a large extent. Through

regression analysis, the study found a coefficient for Need Assessment to be 0.057, which implied that holding Supplier Sourcing , Contract Management and Inventory Management constant, a unit increase in Need Assessment will increase Project performance by 5.7%. Moreover, hypothesis tests also revealed that employee Commitment to Need Assessment has a Significant Effect on Project Performance of NGO's.

This result can be compared to the findings indicated by Adell, Esquerra and Estevan (2009), who found that need assessment encourages innovation through procurement. It is therefore an important procurement function that proves vital to any project management process in an NGO.

### **5.2.2 Supplier Management**

Regarding the effect of supplier management on project performance, the study found an average mean score of 4.03, which implied that the respondents indicated that supplier sourcing process affects project performance to a large extent. Majority of the respondents indicated that the implementation of the purchasing manual is complete (mean= 4.44), the workers of the NGO serve suppliers objectively (mean= 4.20), NGO management has fully implemented procurement policy (mean= 4.10), NGO has procurement functions are in line with PPDA (2015) (mean= 4.04), that the process involved in project implementation are efficient (mean= 3.93), that NGO organization is linked up to its suppliers and end users (mean= 3.90), that NGO employees have fully adopted acceptable tendering regulation (mean= 3.84) and finally that proposals are made and submitted to all potential suppliers (mean= 3.80).

Regression analysis also revealed a coefficient for Supplier Sourcing as 0.023, implying that holding need assessment, contract management and inventory management constant, a unit increase in supplier sourcing will decrease Project performance by 2.3%.



Finally, hypothesis tests confirm that this effect is significant by concluding that Supplier Management has a significant effect on Project Performance of NGO's. It is important to note that Vaart and Donk (2008) also found that supplier management is a key procurement function in as far as ensuring project success is concerned. They asserted that it is important to involve suppliers in decision making, encouraging information, sharing and looking for new ways to integrate upstream activities.

### **5.2.3 Contract management**

The study also investigated how contract management as a procurement function affects project management. On average, most respondents believed that contract management affects project performance to a large extent as indicated by a mean score of 3.89. Specifically, they believed that the following are affected to a large extent; Procurement department go through process needs of organization (mean= 4.21), Most projects completed in time (mean= 4.14), Suppliers honour their obligation (mean= 3.91), Contracts of the organization managed fairly and justly (mean= 3.90), the organization appraises the suppliers you use in a year (mean= 3.84) and finally that delivered are goods rejected due to non-conformity to specification (mean= 3.39).

A coefficient for Contract Management of 0.032 implied that holding need assessment, supplier sourcing and inventory management constant, a unit increase in Contract Management will increase project performance by 3.2%. Hypothesis tests confirmed that Contract management level involvement has a significant effect on Project Performance of NGO's.

These results are comparable to Brown and Hyer (2010) who anchored their argument for monitoring and control on the fact that there are several phenomena which influence project execution and cause actual performance to depart from planned performance.

As such, it can easily be concluded that indeed, project performance is dependent on effective contract management.

#### **5.2.4 Inventory management**

Finally, results indicated that majority of the respondents pointed out an average score of 4.14, which also implied that the effect of inventory management on project performance is to a large extent. They agreed that procuring of goods and services add to cost reduction to the organization (mean= 4.49), NGO's are able to deliver quality service to end users of the project (mean= 4.16), organization level of reduction in inventory costs (mean= 4.04), organization level of stores management practice (mean= 4.03) and that inventory purchases often meet the demand and supply principle (mean= 3.97). Regression coefficient for Inventory Management was revealed as 0.029 implying that holding need assessment, supplier sourcing and contract management constant, a unit increase in Inventory Management will increase Project performance by 2.9%. Hypothesis tests also confirmed that indeed Inventory management does has a significant effect on Project Performance of NGO's.

Heizer and Render (2006) indicated a similar conclusion. They argued that having an effective inventory management plan is effective to any business for reasons such as protection against general shortages or potential problems with suppliers and also because unit price rises may be imminent. As such, the findings from this study can be backed up by this study.

### **5.3 Conclusion**

Based on the results therefore, the study concluded that indeed, procurement functions have a role to play in as far as the performance of projects in NGO's in Nairobi Kenya is concerned.

Procurement functions such as need assessment, supplier sourcing, contract management and inventory management play a very important role in the execution of projects. The study also concludes that an increase in each of the above mentioned procurement functions increases the performance of a project implemented in NGO's in Nairobi County, Kenya. This is because regression analysis results revealed a statistically significant increase of 5.7%, 3.2%, 2.9% and 2.3% for need assessment, contract management, inventory management and finally supplier sourcing respectively. Hypothesis tests also confirmed these effects.

#### **5.4 Recommendations.**

Based on the conclusions therefore, the study recommends that NGO's should include the four procurement functions i.e. need assessment, supplier sourcing, contract management and inventory management in their implementation of projects. Through need assessment processes such as need functions, planning, risk assessment, advertising, competitive international bidding, having a procurement review committee, creating a Scorecard for Procurement Evaluation, having a procurement database and generating Annual Procurement Reports, the NGO will go a long way in ensuring that project performance improves.

Supplier sourcing is also another critical function that helps to improve project performance. It is important for NGO's to have procurement functions are in line with PPDA (2015), have employees that are fully adopted acceptable tendering regulation, implement procurement policies, complete the implementation of purchasing manuals, serve suppliers effectively, submit proposals to potential suppliers and finally ensure that the organization is linked up to its suppliers and end users. Contract management on the other hand will improve project performance if the NGO ensures that delivered are not goods rejected due to non-conformity to specification, the organization appraises the suppliers yearly, suppliers honour their obligation.

The procurement department goes through process needs of organization, contracts of the organization managed fairly and justly and that most projects completed in timeline. Finally, through inventory management, NGO's can improve project performance if they ensure that inventory purchases never fail to meet the demand and supply principle, if store management is practiced, inventory costs are reduced, quality services delivered to end users and that procuring of goods and services reduces cost to the organization.

### **5.5 Limitations of the Study**

This section presents the limitations as identified by the researcher during the execution of the study. First, some respondents were reluctant to answer the questionnaires presented to them, citing confidentiality of company information. The researcher handled this limitation by making it clear to them that this research was mainly for academic purposes, and that the information required to be filled would not compromise their companies in any way. Also, the respondents had busy working schedules in their organizations which derailed the process of data collection. The researcher however tackled this limitation by emphasizing to the respondents that the data was needed urgently in order to meet the academic deadlines. Finally, the accuracy of the data collected was mainly dependent on what was provided by the respondents from the manufacturing firms. As such, there was need for the respondents to answer the questions honestly and accurately. The researcher therefore handled this limitation from answering the respondents' queries on the questions that the respondents didn't understand.

### **5.6 Area for Further Research**

The study recommends future studies to be conducted on the effect of procurement practices on project performance of Public Institutions in Kenya. It is also critical to consider other procurement functions such as strategic vetting and establishing payment terms.

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## **APPENDIX I: QUESTIONNAIRE**

### **Introduction**

This questionnaire has been designed for the purpose of collecting data on the procurement factors affecting effective project performance in NGOs in, Nairobi County for a study assessing the Constraints to need assessment process- valuation of suppliers Contract administration and inventory management functions that enables accountability, fairness, timeliness, quality and acceptability in project performance of NGOs in – Nairobi County. Your response will be accorded strict confidentiality. Please respond to the questions honestly by ticking the most appropriate response

## SECTION A: GENERAL QUESTIONS

Please tick as appropriate in the boxes using a tick (✓) or cross mark (x).

### 1. Gender

Male  Female

### 2. Age Bracket in years

20-25  26-30

31-35  36-40

41 -50  51 and Above

### 3. Highest level of education

a) Undergraduate Level  b) Post-Graduate Level

d) Any other (Specify) .....

### 4. Name of your NGO?

### 5. How long have you worked for the NGO?

a) Less than 3 years b) 3 – 6 years

c) 7– 10 years d) More than 10 years

### 6. In which sector is the NGO based?

a) Health  b) Poverty elimination  c) Human rights

d) Education  e) Social Enterprise  f) Agriculture

g) Environment  h) Child Rescue  i) Refugees

Any other (Specify) .....

### 7. How many employees are employed by the NGO?

- a) Less than 50 [ ]    b) 50 -100 [ ]
- c) 100 – 200 [ ]    d) More than 200[ ]

**SECTION B: PROCUREMENT FUNCTIONS**

**a. Need Assessment Questions**

Among the Need Assessment procurement practices listed below, which ones have been adopted by your organization? Indicate based on the scale below;

1-Very Low Extent, 2-low extent, 3-moderate extent, 4-large extent, 5-very large extent

	<b>Questions</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
8	Need functions, planning, assessing the risk					
9	Advertising					
10	International competitive bidding					
11	Procurement review committee					
12	Scorecard for Procurement Evaluation					
13	Procurement Database					
14	Procurement Plans					
15	Annual Procurement Report					

**b) Supplier sourcing function**

Indicate based on the scale below;

1-Very Low Extent, 2-low extent, 3-moderate extent, 4-large extent, 5-very large extent

	<b>Questions</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
16	NGO has procurement functions are in line with PPDA (2015)					
17	NGO employees have fully adopted acceptable tendering regulation					
18	NGO management has fully implemented procurement policy					
19	The implementation of the purchasing manual is complete					
20	The process involved in project implementation are efficient					

21	The workers of the NGO serve suppliers objectively					
22	Proposals are made and submitted to all potential suppliers					
23	NGO organization is linked up to its suppliers and end users					

**c) Contract Management**

Indicate based on the scale below;

1-Very Low Extent, 2-low extent, 3-moderate extent, 4-large extent, 5-very large extent

	<b>Question</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
24	Delivered are goods rejected due to non-conformity to specification					
25	The organization appraises the suppliers you use in a year					
26	Suppliers fail to honor their obligation.					
27	Procurement department go through process needs of organization					
28	Contracts of the organization managed fairly and justly					
29	Most projects completed in timeline					

**d) Inventory Management**

Indicate based on the scale below;

1-Very Low Extent, 2-low extent, 3-moderate extent, 4-large extent, 5-very large extent

	<b>Questions</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
30	Inventory purchases often fail to meet the demand and supply principle					
31	Rate your Organization level of stores management practice					
32	Organization level of reduction in inventory costs					
33	Able to deliver quality service to end users of the project					
34	Procuring of goods and services add to cost reduction to the organization					

## SECTION C: PROCUREMENT PERFORMANCE

### Questions

Indicate based on the scale below;

1-Very Low Extent, 2-low extent, 3-moderate extent, 4-large extent, 5-very large extent

	Question	1	2	3	4	5
35	What is the level of Minimization of procurement expenditure					
36	What are the levels of cost reduction control					
37	How would you rate usability of goods procured					
38	What percentage would you give quality of procured goods					
39	How can you rate funds utilization in your organization in the past five years					
40	I am satisfied with cost reduction my organization makes through procurement functions					

**Thank you for taking your time to fill this questionnaire**

## APPENDIX II: LIST OF REGISTERED NGO'S IN NAIROBI COUNTY

	NGO	Sector
1	ABANYALA FLOODS RELIEF SERVICES	Relief Providers
2	ADVENTIST DEVELOPMENT AND RELIEF AGENCY INTERNATIONAL ( SOMALIA PROJECTS)	Relief Providers
3	AFRICA REFUGEE RELIEF AND DEVELOPMENT ORGANIZATION	Relief Providers
4	CHURCH WORLD SERVICE AND WITNESS	Poverty Alleviation
5	FOOTSTEPS INTO CHANGE ORGANIZATION	Poverty Alleviation
6	FREDDY JANAM AFRICA FOUNDATION	Poverty Alleviation
7	FRIENDLY ACTION NETWORK ORGANIZATION	Poverty Alleviation
8	GLOBAL IMPLEMENTATION SOLUTION	Poverty Alleviation
9	GOOD NEWS PRODUCTIONS INTERNATIONAL-AFRICA	Poverty Alleviation
10	HOPE IN ACTION ASSOCIATION – KENYA	Poverty Alleviation
11	HUMAN APPEAL INTERNATIONAL (KENYA)	Poverty Alleviation
12	HUMAN RIGHTS WATCH	Poverty Alleviation
13	JOINING HANDS TOGETHER AFRICA	Poverty Alleviation
14	AMURT (INTERNATIONAL)	Humanitarian
15	BIBLE TRANSLATION AND LITERACY (E.A)	Humanitarian
16	CARE HIGHWAY HUMANITARIAN AID	Humanitarian
17	CARING CITIZENS INTERNATIONAL FOUNDATION	Humanitarian
18	CENTRALE HUMANITAIRE MEDICO – PHARMACEUTIQUE	Humanitarian
19	CENTRE HUMANITAIRE MEDICO-PHARMACEUTIQUE	Humanitarian
20	ADVENTIST HEALTH SYSTEM EAST – CENTRAL AFRICA	Health
21	AFRICA HEALTH AND DEVELOPMENT INTERNATIONAL	Health
22	AFRICAN BIOLOGICAL SAFETY ASSOCIATION	Health
23	AFRICAN FAMILY HEALTH	Health
24	AFRICAN MEDICAL AND RESEARCH FOUNDATION	Health
25	AFRICAN POPULATION AND HEALTH RESEARCH CENTRE KENYA	Health
26	ACTION FOR CHILDREN IN CONFLICT UK IN KENYA	Education
27	ADVANCED INITIATIVES FOR POPULATION AND DEVELOPMENT	Education
28	AFRICA DIGNA	Education
29	ASSOCIATION CHRISTIAN RESOURCE ORGANIZATION	Education

	SERVING SUDAN	
30	BASIC NEEDS UK IN KENYA	Education
31	CAROLINA FOR KIBERA ORGANIZATION	Education
32	CHALBI SCHOLARS ORGANIZATION	Education
33	DEVELOPMENT TRAINING AND RESEARCH AFRICA	Education
34	KENYA EDUCATION PARTNERSHIPS	Education
35	KENYA EDUCATION PROJECT	Education
36	ABHA LIGHT FOUNDATION	Children Welfare
37	AFRICAALLIANCE OF YMCAS	Children Welfare
38	AFRICAN CONSERVATION TILLAGE INITIATIVE	Children Welfare
39	AFRICAN MEDIA INITIATIVE	Children Welfare
40	AFRICAN NETWORK FOR THE PREVENTION AND PROTECTION AGAINST CHILD ABUSE AND NEGLECT – KENYA CHAPTER	Children Welfare
41	AFRIKA ABLE ORGANIZATION	Children Welfare
42	FILMAID – KENYA	Children Welfare
43	FREEDOMS HOUSE FOUNDATION -KENYA	Children Welfare
44	Friends of Londiani Kenya	Children Welfare
45	GHETTO LIGHT YOUTH ORGANIZATION	Children Welfare
46	GLOBAL COACHING CENTRE FOUNDATION	Children Welfare
47	HIMILO RELIEF AND DEVELOPMENT ASSOCIATION	Children Welfare
48	IPAS AFRICAALLIANCE	Children Welfare
49	JAM INTERNATIONAL	Children Welfare
50	JITEGEMEE CHILDREN PROGRAM	Children Welfare
51	A ROCHA KENYA	Charitable
52	ABYEI COMMUNITY ACTION FOR DEVELOPMENT	Charitable
53	ACTION FOR EMPOWERMENT – KENYA	Charitable
54	ADVENTURES IN MISSION – KENYA	Charitable
55	AFRICA VILLAGE EMPOWERMENT	Charitable
56	AFRICAN CHRISTIAN MISSION INTERNATIONAL	Charitable
57	AFRICAN INSTITUTE FOR DEVELOPMENT POLICY RESEARCH AND DIALOGUE	Charitable
58	AFRICAN NETWORK FOR INTERNATIONALIZATION OF EDUCATION	Charitable
59	AFRICAN NETWORK FOR THE PREVENTION AND	Charitable

	PROTECTION AGAINST CHILD ABUSE AND NEGLECT – Regional Office	
60	AFRICAN VIRTUAL UNIVERSITY	Charitable
61	AFRICAN WILDLIFE FOUNDATION	Charitable
62	FH ASSOCIATION	Charitable
63	FORUM SYD SWEDISH NGO CENTRE FOR DEVELOPMENT COOPERATION	Charitable
64	FOUNDATION FOR SUSTAINABLE DEVELOPMENT- KENYA	Charitable
65	HAND IN HAND EASTERN AFRICA	Charitable
66	HEAVENLY TREASURES KENYA	Charitable
67	AFRICA REFUGEE RELIEF AND DEVELOPMENT ORGANIZATION	Refugees
68	HORN OF AFRICA REFUGEE SUPPORT ORGANIZATION	Refugees
69	REFUGEE EDUCATION TRUST- KENYA	Refugees
70	ZOA REFUGEE CARE-NETHERLANDS	Refugees
71	HELP A CHILD AFRICA	Refugees
72	INTERNATIONAL CHILD SUPPORT	Refugees
73	INTERNATIONAL EXECUTIVE SERVICE CORPS	Refugees
74	INTERNATIONAL FRIENDSHIP LEAGUE OF KENYA	Refugees
75	INTERSOS KENYA	Refugees
76	INTERNATIONAL CHILD SUPPORT	Refugees