

EFFECTS OF THE PUBLIC PROCUREMENT AND DISPOSAL ACT ON
PERFORMANCE OF THE PROCUREMENT FUNCTION: A CASE STUDY OF KEMSA

KABURU WANJIKU RUTH

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ABSTRACT

The public procurement system in Kenya has evolved to an orderly and legally regulated system governed by the PPDA, 2005. Prior to this, in Central Government it was governed by Treasury Circulars from 1969, then the Supplies Manual of 1978, before the promulgation of the Exchequer and Audit (Public Procurement) Regulations, 2001. The PPDA, effective as of 1st January 2007, applies to all procurement of goods, works and services, as well as the disposal of assets by public entities. The Public procurement processes is a complex issue because of the multiple interests and objectives it strives to achieve simultaneously coupled by the multiple regulatory policies and bodes it has to adhere to. The objective of this study was to look at the effects of PPDA on public procurement in Parastatals in Kenya. However the specific objectives were to establish the effect of PPDA on the procurement process in Parastatals in Kenya and find out the challenges to the implementation of the PPDA. The main objective of the study was to find out the success and failure on adoption of public procurement and disposal act and regulation on performance activities in procurement department in Kenya Medical supplies agency

To achieve the objectives, primary data relating to the use of the Act is to be collected by use of questionnaires that were used to respondents, who include all levels within the organization structures that are the top management, middle level management and line level management. This study adopted the survey research. The data collection will be administered over a selected sample. Data relating to procurement will be obtained from primary and secondary sources such as annual reports of the organization, procurement reviews of the organization, library sources and internet sources. The study covered 70% of employees in the procurement entity and user department versed to procurement proceedings, whereby the target population involved employees under a sample frame of 230 staff of various departments in KEMSA on the effects of PPDA on performance of procurement functions which will be able to determine how the Act has influence activities in the procurement entity either in a positive or negative manner to the professional responsibility of the staff engaged in procurement and logistics.

The research revealed that improper procurement plan was 65% linked to lack of consolidated procurement plan that did not match with the budgetary framework, 70% incomprehensive of adoption of PPDA, massive unjustifiable procurement methods was also cited poor paperwork accompanied with poor record keeping. PPDA on the other hand improved procurement and supply lead time thus the study recommended a consolidated procurement plan, showing the target dates for procurement-related activities, to improve deliverable times, the unit needs to track times, KEMSA should amend its procurement policy and ensure their policies and procedures are in line with the PPDA and a conformance program to adopt PPDA fully.