

Factors Influencing the Use of Alternative Methods of Procurement in Public Hospitals in Vihiga County

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Abstract- The study assessed the factors influencing the use of alternative methods of procurement in public hospitals in Vihiga County. Specific objectives guided the research. The first objective determined the influence of public procurement policies on the use of alternative methods of procurement in public hospitals in Vihiga County. The second objective found out how e-procurement affects the use of alternative methods of procurement in public hospitals in Vihiga County. The third objective established the effect of the staff skills on the use of alternative methods of procurement in public hospitals in Vihiga County. The fourth objective determined the effect of funding on the use of alternative methods of procurement in public hospitals in Vihiga County. The literature relating to the study was reviewed and a conceptual framework developed. Descriptive research design, specifically a survey study was employed in carrying out the research. The target population of the study was the people involved in procurement activities in the public hospitals in Vihiga County that consisted of a sample of 35 procurement personnel out of the total target population of 118 procurement personnel from Vihiga County referral Hospital, Sabatia sub county hospital, Hamisi sub county hospital, Luanda sub county hospital, and Emuhaya sub county hospital. The research instrument was a structured questionnaire that was self administered to the respondents. Data was analyzed using SPSS and presented in tables and charts. The response rate was 89%. The ANOVA result for all variables indicated that there was a highly significant relationship between the variables at $F = 2.728$ and $P = 0.000$. This means that there is a strong relationship between the four variables; public procurement policies, e-procurement, staff skills, funding and the use of alternative methods of procurement in public hospitals in Vihiga County.

Index Terms- Public Procurement, E-procurement, Procurement Policies, Direct Procurement

I. INTRODUCTION

A procurement process can only be started after confirmation that funds are available for the procurement and signed approval from the authorizing official has been obtained. Procurement requirements are initiated using a requisition form filled by the user department and submitted to the procurement unit, which then forwards the form to the relevant persons in charge of appending their confirmation signatures, indicating availability of funds and approval for the procurement to proceed (PPDA, 2005).

The main procurement procedure for public hospitals is Open Tendering and the alternative procedures include: restricted tendering, request for proposals, direct procurement, and request for quotations, low value procurement and specially permitted procurement. There are certain factors which help determine which procurement method to use. These factors include, but are not limited to, the estimated value of goods, works or services, the urgency of the requirement and even the limited number of providers. However, procurement must not be split to avoid use of the proper procurement method and should be planned in order to avoid emergency procurement as far as possible (PPDA 2005).

The current financial crisis underlines the centrality of financial resources in the public sector (Kioko et al., 2011). The UK public sector spends over £220 billion annually on the procurement of goods and services (OGC, 2009). The Comprehensive Spending Review in October 2010 saw the UK government embark on a retrenchment of public sector to reduce its significant financial deficit. This demanding environment of austerity increases the saliency of public procurement decision-making and generates an environment for seismic change. The global economic crises that have emerged over the past few years have put tremendous strains on (and remains a challenge for) all the major economies of Europe. Debates about cuts in public spending and increased taxes are taking place now in London, Athens and Paris as they are in most of the European Union capital cities (West, 2012).

The public sector represents about 40-45% of the world's economies; in some African countries it can be as much as 80% (Knight et al., 2007). However, procurement can have a substantial role in achieving this (West, 2012). One initiative taken by the European Union (EU) as part of its plans to tackle the financial crisis is an accelerated public procurement procedure. This initiative should provide a boost to local economies by allowing a more rapid execution of major public investment projects, reducing procurement procedures from 87 days to 30 days. The EU Commission views that speeding up procurement procedures can support member state actions to foster growth in their economies through rapid execution of major public investment projects (European Commission Press Release, 2008). Effective public procurement is seen as a means to which governments reduces spending.

The selection of the most appropriate procurement method is critical for both the client and other project participants as it is an important factor that contributes to the overall client's satisfaction and project success. This selection will be dependent upon a number of factors such as cost, time and quality which are widely considered as being the most fundamental criteria for

clients seeking to achieve their end product 'at the highest quality, at the lowest cost and in the shortest time' (Hackett et al. 2007). The existence of a wide variety of procurement methods available to project developers on the market today has led to several comparisons being made on how the different procurement methods have performed at the end of the construction phase.

The public procurement in public hospitals, Kenya included has evolved significantly over the last decade. According to Public Procurement Oversight Authority (PPOA, 2007) the public procurement has evolved from an unregulated system in the 1960s to treasury controlled system in 1970s, 1980s and 1990s. Public procurement and disposal act was later introduced in 2005 and further new standards were introduced by Procurement Regulations of 2006 (PPOA, 2006). Prior to the introduction of Public Procurement and disposal Act of 2006 the procurement system was inefficient and the government lost a lot of money. According to the World Bank (1997), the procurement system was not transparent and was characterized with skewed competition; staff presiding over the system lacked capacity and were easily compromised; there was also an urgent need for a professional oversight body to instill discipline. These recommendations gave rise to the reforms that have characterized the procurement system in Kenya over the last decades.

The public procurement reforms in Kenya culminated in promulgation of the Public Procurement and Disposal act 2005 and the subsidiary legislation entitled Public Procurement and Disposal Regulations 2006 to provide a legal framework for regulating public procurement. The legislative framework provides for oversight functions to be carried out by the public procurement oversight authority, the Public Procurement Oversight Advisory Board and for an appeals mechanism to the Public Procurement Administrative Review Board. State corporations must carry out their procurement and disposal activities in accordance with the public procurement and disposal Act, the regulations, standard tendering documents, manuals and any directions of the PPOA. To ensure compliance, state corporations must, among other functions, prepare and follow their procurement plans, have a procurement unit staffed with procurement professionals, have procurement and evaluation committees, ensure all procurement procedures are properly documented and records properly maintained.

There are 5 public hospitals in Vihiga County. Vihiga County is an administrative region in the former Western Province of Kenya. Each Sub County in Vihiga County has one public hospital. The public hospitals in Vihiga County are Vihiga County referral hospital, Sabatia sub county hospital, Hamisi sub county hospital, Luanda sub county hospital and Emuhaya sub county hospital. Vihiga County referral hospital is a public hospital located in Mbale town Vihiga County in Vihiga County. It is the largest health facility in Vihiga County. It offers a variety of services to its patients that include: antiretroviral therapy, curative in-patient services, family planning, HIV counseling and testing, immunization and outpatient services.

Emuhaya Sub County hospital is a public hospital located in Wekhome, Emuhaya Sub County in Vihiga County. It offers a variety of services to its patients that include: antiretroviral therapy, curative in-patient services, family planning, HIV counseling and testing, immunization and outpatient services.

Sabatia Sub County hospital is a public hospital located in Sabatia, Sabatia Sub County in Vihiga County. The services it offers include: antiretroviral therapy, family planning, HIV counseling and testing, outpatient services and immunization.

Hamisi Sub County hospital is a public hospital located in Gisambai, Hamisi Sub County, Vihiga County. The services it offers include: antiretroviral therapy, family planning, HIV counseling and testing, outpatient services and immunization. Luanda Sub County hospital is a public hospital located in Luanda town, Luanda Sub County in Vihiga County. The services it offers include: antiretroviral therapy, family planning, HIV counseling and testing, outpatient services and immunization.

Knight et al. (2007) mentions that it is astonishing that so little research has been carried out into public procurement across different nations (and even within nations) to improve procurement when it is such a vital, significant part of all nations' economies. The basic presumption in public procurement in all public institutions is that contracts of a specified type and value will be procured using an advertised, competitive procedure that is open, fair and transparent, ensuring equality of opportunity and treatment for all candidates and tenderers. There are only limited circumstances where a procedure without advertised competition is permitted. The public procurement entities are legally bound to ensure this is achieved through the Public Procurement and disposal Act of 2005.

In 2003, the GOK began implementing reforms to address inefficiency in the use of public resources and weak institutions of governance. The reforms included the development of anti corruption strategies to facilitate the fight against corruption and the enactment of the public Officer Ethics Act 2003, the Anti-Corruption and Economic Crime Act, the Financial Management Act 2004, and the Public Procurement and Disposal Act 2005. The aim was to make the procurement process in government institutions more transparent, ensure accountability and reduce wastage of public resources. Currently, there are weak oversight institutions, lack of transparency, poor linkages between procurement and expenditure, delays and inefficiencies, poor records management, bureaucracy, rampant corruption, and Political interests in government institutions. The Public Procurement Oversight Authority in 2007 admitted that, procurement entities are faced with challenges when it comes to applying the legal framework for regulating public procurement and complying with the new provisions and standards. This study aims at assessing the factors influencing the use of alternative methods of procurement in public hospitals in Vihiga County.

The general objective sought to assess the factors influencing the use of alternative methods of procurement in public hospitals in Vihiga County. Specific objectives aimed to determine the influence of public procurement policies on the use of alternative methods of procurement in public hospitals in Vihiga County, to find out how e-procurement affects the use of alternative methods of procurement in public hospitals in Vihiga County, to establish the effect of staff skills on the use of alternative methods of procurement in public hospitals in Vihiga County and to determine the effect of funding on the use of alternative methods of procurement in public hospitals in Vihiga County.

The study will benefit the hospital management teams of Vihiga, Emuhaya, Sabatia, Luanda, and Hamisi public hospitals by providing the findings on the factors that influence the use of alternative methods of procurement in public hospitals. This will help the public hospitals to adhere to the legal framework of regulating public procurement as stipulated in the Public Procurement and Disposal Act 2005.

The study will benefit other public hospitals in other counties in Kenya, policy makers and the government of Kenya in matters that regard to alternative procurement methods and the issues there in. In this case the government and other policy makers would be in a position to draw up or improve the current strategies guiding the uptake of procurement methods. The research will serve as a basis for further research in the field of procurement especially in the public hospitals.

II. LITERATURE REVIEW

2.1 Theoretical Framework

This will give a review of the research and help make logical sense of the relationships of the elements of the study.

2.1.1 Ethics Theory

Ethics is a branch of philosophy that seeks to define what is right and what is wrong. It helps us understand what actions are wrong and why they are wrong. Across the world, not all cultures share the same ethical commitments, and cultural relativism acknowledges that (Desjardin, 2008).

It is ideal that laws of a particular nation match their ethical commitment; even though some laws are changed to meet the ethical commitments, in most cases one may find that what is ethically right, sometime lacks legal backing. But in such cases, it is only strong personal ethical commitment that can help guide behavior. Even where there is strong personal ethical commitment, there are also cases of conflicting ethical positions (Desjardin, 2008). There are various philosophical approaches to environmental ethics, but only three will be discussed here; anthropocentrism, biocentrism and egocentrism. Anthropocentrism or human centered ethics is the view that all environmental responsibility is derived from human interests alone. It assumes that only human beings are morally significant and have direct moral standing. Since the environment is crucial to human well-being and survival, there is a duty towards the environment; a duty derived from human interest (Desjardin, 2008). Biocentrism is a life centered moral responsibility. According to the broadest version of biocentrism theory, all forms of life have an inherent right to exist (Desjardin, 2008). Egocentrism maintains that the environment deserves direct moral consideration and not consideration that is merely derived from human or animal interests. It suggests that the environment has a moral worth (Desjardin, 2008). According to Kaplan (2009), there are three main sources of rules that regulate behavior of individuals and businesses; the law, non – legal rules and regulations and ethics. If a business is breaking the law, by not complying with one of the many environmental laws requirements. The business would want to move from that point of counter compliance.

2.1.2 Sustainability Theory

Sustainability means meeting the needs of the current generations without compromising the ability of future

generations to meet theirs. It seeks to promote appropriate development in order to alleviate poverty while still preserving the ecological health of the landscape. Sustainability works to understand the connections between environment, economy and the society. In 2000, the World Bank published *The Quality of Growth*, advocating a broadening of the growth framework to a complementary agenda involves key quality aspects in the structural, human, social, and environmental dimensions of sustained growth, emphasizing a more equitable investment in people, and the need to sustain natural capital, dealing with global financial risks, improving governance and controlling corruption. The World Business Council for Sustainable Development Report, WBCSD, (2005), *Creating Business Value and Accountability*, restates the need to increase accountability and change the business approach to sustainable development. Accountability and value creation must be made mutually reinforcing throughout any enterprise, integrating sustainable development amongst all areas of business practice, rather than creating a 'specialist silo.' Although not specific policy responses, the two reports suggest a change in the policy outlook of international institutions (WBCSD, 2005). According to a research report from the Economist Intelligence Unit by ExxonMobil (2011), there is growing importance of corporate sustainability in enabling companies to compete and to attract customers. Business both impacts and relies on the availability and health of our natural resources. In recognizing this connection and protecting wildlife habitat and biodiversity in and around their operations the survey claims that the adoption of sustainable practices does not cause companies' share prices to rise. It could be that companies with a strong financial performance simply have more resources to devote to sustainability. What the findings do show, however, is that it is possible to take a proactive position on social and environmental issues while still delivering robust financial growth. Understanding the full life cycle of their operations is important to operating in an environmentally sustainable manner and involves four key steps: Assessing the surroundings; Designing the facilities and operations; Operating with integrity and Restoring the environment.

2.2 Conceptual Framework

The conceptual framework for this research brings into view the independent and dependent variables of the study. The independent variables are the variables that I will influence in order to decide on their effect on the dependent variable. They will help me foresee the amount of discrepancy that occurs in the dependent variable (Kothari, 2008). The value of the dependent variable depends on the independent variables. The independent variables will include: public procurement policies, e-procurement, staff skills and funding. The dependent variable is the use of alternative methods of procurement in public hospitals in Vihiga County. The relationship between independent variables and the dependent variable is of insightful significance as it will clearly lay down the factors influencing the use of alternative methods of procurement in public hospitals in Vihiga County

2.2.1 Public procurement policies

The Public Procurement Oversight Authority (PPOA) was established under an Act of Parliament, the Public Procurement and Disposal Act (PPDA) of 2005. Among other things the Act

established a semi-autonomous oversight body, the Public Procurement Oversight Authority (PPOA). The Authority is among other responsibilities charged with ensuring that all procurement entities observe the provisions of the procurement law. PPOA is mandated with the responsibility of: ensuring that procurement procedures established under the Act are compiled with; monitoring the procurement system and reporting on its overall functioning; initiating public procurement policy; and assisting in the implementation and operation of the public procurement system (PPDA, 2005).

PPOA being at the center of the procurement process in Kenya is well placed to drive the procurement sustainable agenda. Backed by a strong legislative framework, PPOA controls what public organizations can do or not do in their procurement process. It therefore acts as a strong intervening variable in the public hospitals' procurement processes by making sure that all the procurement activities are executed within the legal framework. PPOA is mandated to enhance national socio-economic development by facilitating and overseeing the implementation of an effective and efficient public procurement and disposal system. The Public Procurement and Disposal Act, 2005 is meant to help public organizations to: maximize economy and efficiency; promote competition and ensure that competitors are treated fairly; promote integrity and fairness of public procurement procedures and to facilitate the promotion of local industry and economic development.

Government policies and regulations are very rigid external factors which affect the procurement selection. Hence Hashim *et al.* (2006) argued that, client's choice of a procurement method could be affected by various government policies. This could be seen where the clients have to follow government procedures in choosing a particular procurement method. Dye (2000) states that public policy is whatever governments choose to do or not to do. Cochran (2009) & Malone (1995) carry this further, stating that public policy consists of political decisions for implementing programmes to achieve social goals. The increased scrutiny procurement is receiving warrants a mention, Coggburn (2003), where all public agencies, regardless of size, require the purchase of goods and services. Sound public procurement policies and practices are among the essential elements of good governance (KIPPRRA, 2006). Sound public procurement policy brings immediate tangible macroeconomic benefits where more cost-effective procurement relaxes the budgetary pressure and creates fiscal space (Vogel, 2009). Although many countries still have 'closed' procurement regimes, public procurement has become an international concern.

This is evident from the fact that the public sector represents about 50% of many of the world's economies in terms of spending on providing services and procuring from the private sector. Therefore, many countries have developed a highly evolved procurement regime, which recognizes the universal fundamentals of public procurement (World Bank, 2002). It is therefore evident that, if the procurement function fails to deliver quality goods and services in a timely fashion and at a value for money price, the performance of government suffers (Coggburn, 2003). All procurements regardless of their value or complexity follow a standard sequence of actions. This is known as the procurement cycle. The cycle involves a series of steps that must take place to supply a production line or to replenish stock in a

distribution center. The Public Procurement and Disposal Act, 2005 provided the basic procurement processes to be followed by all procuring entities. Although the procurement processes and rules may vary slightly for different methods of procurement, depending on whether the requirement is for supplies, works or services, all processes usually follow the same basic steps. The steps include: procurement planning where the procuring entity is required to produce an annual plan of all the procurements it intends to carry out in the next financial year; a procurement requisition is filled with clear specifications and terms of reference; confirmation of availability of funds is done; specifications are reviewed, the method of procurement, the evaluation criteria and the potential supply market; the procurement method is approved; preparation of tendering method is done; approval of tendering documents; advertisement and invitation for tenders; receipt and opening of tenders; evaluation of tenders; review of the evaluation report (approval or rejection); award of contract; communication of the award; review; signing of the contract; contract monitoring; and finally performance evaluation (PPDA, 2005).

The EU Public Procurement reforms of 2006 took into account changes in procurement practice, including greater use of electronic trading and ICT (Ian, 2009). The UK regulations were brought into operation in 2006. The purpose of the rules was to open up the public procurement market and to ensure the free movement of goods and services within the EU and in most cases they required competition. The EU rules reflect and reinforce the value for money focus of the government procurement. The Directive 2004/18/EC sets out the legal framework for public procurement. It applies when public authorities seek to acquire goods, services, or works. It sets out procedures that must be followed before awarding a contract when its value exceeds thresholds, unless it qualifies for an exemption (e.g. on grounds of secrecy). The government of Kenya through its parliament enacted an Act of parliament, the Public Procurement and Disposal Act, 2005 to establish procedures for efficient public procurement and for the disposal of unserviceable, obsolete or surplus stores, assets and equipment by public entities and to provide for other related matters. The purpose of this Act was to establish procedures for procurement and the disposal of unserviceable, obsolete or surplus stores and equipment by public entities to achieve the following objectives: To maximize economy and efficiency; To promote competition and ensure that competitors are treated fairly; To promote the integrity and fairness of those procedures; To increase transparency and accountability in those procedures; To increase public confidence in those procedures; To facilitate the promotion of local industry and economic development.

Public procurement practitioners have always walked on a tight rope. Their ability to accomplish procurement objectives and policies is influenced very much by internal forces including: Interactions between various elements of the public procurement systems, various officials and organizations in the three branches of government, and various actors and sub-agencies within a department or executive agency and actors and organizations external to sub-agencies; Types of goods, services and capital assets required for an agency's missions; Professionalism or quality of procurement workforce staffing levels (for example ratio of procurement practitioners to contract actions) and budget

resource. The general principles of government procurement have been taken for many years within the public sector (Ian, 2009). They can be summarized as follows: Purchasing should be based on value for money; Competition should be used to acquire goods and services (unless there is a convincing reason to the contrary); There should be clear definition of the roles and responsibilities of personnel involved in specifying a need, giving financial authority and making procurement commitments; There should be separation of the financial authority and purchasing authority; There should be separation of duties between personnel who receive goods and services and those who authorize payments; Requirements which are above a certain financial threshold are normally required to be advertised in accordance with EU regulations on public procurement.

2.2.2 E-procurement

According to Schapper (2003), E-procurement is the purchase of goods and services electronically. It is an integral part of an overall strategic procurement plan in the current business environment. The plan includes, but is not limited to strategic sourcing or supplier rationalization, supply chain automation and participation in one or more market places. The advent of the internet as a business systems platform has been a catalyst for major changes in the operation and status of organizational procurement.

One of the goals of procurement is to establish a competitive price, while e-procurement utilizes electronic commerce to identify potential sources of supply, to purchase goods and services, to exchange contractual information and to interact with suppliers. Applying e-procurement in the healthcare system remains unexplored. It lacks an efficient e-procurement mechanism that will enable hospitals and healthcare suppliers to electronically exchange contractual information, aided by the technologies of optimization and business rules. The development and deployment of e-procurement systems requires a major effort in the coordination of complex interorganizational business processes.

Early e-procurement forecast significant improvements in procurement costs, improved status of the purchasing function, and changes the structure of supply markets (Anne, 2008). According to FT (2012), e-procurement promotes collaboration between buyers and sellers. Many established and ICT compliant companies are setting up overlapping trading information exchanges. Consolidation is thus inevitable. Companies such as Samsung Corporation in South Korea, and Japan's Mitsubishi Corporation and Itochu are among those at the forefront of Asia's e-procurement activity. This is in recognition of the need to ensure that their trading business is not snatched away by new online competition. They have been streamlining their purchasing activities and setting up a variety of e-procurement market places (Williams, 2005).

The national e-procurement Research Project in Australia was initiated in 2003 in response to ongoing interest among the business and academic communities about the current status of e-procurement in Australian industries and organizations. The broad aim of the project was to assist organizations in Australia to plan for, implement and assess the impact of information system enabled innovations in procurement. A key element of the project was a series of national surveys of e-procurement adoption and implementation NeRPA (2003). The focus was in

the use of e-procurement to enable value creation and collaborative commerce. This broader business oriented view encompasses a wider span of activities ranging from strategic sourcing and supplier relationship management to through to settlement and payment of goods (Knudsen, 2002). The focus was on both the strategic and operational aspects of e-procurement.

Information technology has already penetrated to the health care organizations, promoting their efficiency and effectiveness. Electronic procurement, as an application of information technology, abolishes the traditional procurement procedures introducing information systems and the use of computers in purchasing.

2.2.3 Staff skills

Procurement is no longer considered a clerical function performed independently by untrained individuals within a governmental agency (National Institute of Governmental Purchasing, 2001). Qualified staff that is competent and skilled will help the organization to achieve its goals and objectives by being efficient and effective when carrying out their various functions. For an organization to succeed, qualification is therefore a pre-requisite and must be matched with job requirement, hence the need to hire and develop ambitious procurement personnel.

If staff involved in procurement procedures is not qualified and competent, then there will be ineffectiveness in the procurement services. Bailey and Farmer (2002) says that for the procurement function to achieve a superior performance, it's necessary to recruit, train and develop personnel with the capacity and motivation to do a better job. Carter and price (2003) indicate that training of staff is vital if full use is to be made of their abilities and talents. Coe (2009) says that it's important to ensure that sufficient number of the appropriate caliber is available to the organization in pursuit of its objectives. Incompetent employees can render procurement services virtually ineffective.

Lysons and Farrington (2012) identify the skills that are required for procurement officers as follows: Coordination: adjusting actions in relation to others' actions. Critical thinking: using logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions or approaches to problems. Speaking: talking to others to convey information effectively. Active listening: giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate and interrupting at inappropriate times. Management: managing one's own time and the time of others. Negotiation: bringing others together and trying to reconcile differences. Persuasion: persuading others to change their minds or behavior. Operations analysis: analyzing needs and product requirements to create a design. Quality control analysis: conducting tests and inspections of products, services, or processes to evaluate quality or performance. Management of material resources: obtaining and seeing to the appropriate use of equipment, facilities, and materials needed to do certain work.

Lysons and Farrington (2012) further identify the knowledge needed to be a procurement officer as follows: administration and management, production and processing, law and government, mathematics, customer and personal service,

transportation, personnel and human resources, economics and accounting, computers and electronics, clerical, psychology, communication and media, education and training, sales, marketing and telecommunications.

Staff training and development activities are important in all businesses. In addition to improving the skills of the staff specific to the business process, it is important for the skills to be up-to-date (Victoria, 2014). When new staff members begin working in the business, they will need to be trained appropriately in order to fulfill their role. You may rely heavily on the existing staff members to achieve this. Existing staff members may need to up-skill to keep them challenged and engaged. The changing circumstances in the procurement processes require new learning for example those brought about by new technology (Victoria, 2014).

Finding and keeping workers with the knowledge and skills to get the job done is critical in today's workplace. A skilled workforce is often the key to an organization's growth and stability and it could be the determining factor in the success of your business.

2.2.4 Funding

With enough funds the hospitals can run their activities efficiently and effectively while with inadequate funds they may have difficulties in running their activities (Carter & Price, 2003). According to Dobler and Burt (2006), Funds can be a constraining factor to the selection of the procurement procedure to use when funds allocated cannot cater wholly for the organizations requirements within the budget period. According to Burton (1981), other factors that may affect allocated funds include the variability in user demand patterns and frequent price variations. The stature of financial management in the organization can affect adversely its effectiveness and in the finance resource application in various activities.

The 2005/2006 government financial settlement meant that many government institutions were forced to make substantial cuts in their services. Staffing levels have also been affected and many government institutions have had to make staffing cuts. Although this has meant that redundancies have been made, many authorities have chosen to leave positions vacant rather than choose this option. The loss of staff has resulted in the loss of specialist staffs with most institution employing clerks, and this has affected the individual procurement services.

A reasonable mix of Government and donor resources has been used to support the growth in the public hospitals procurement and supply chain activities. Securing funding of public hospitals' procurement activities through the mechanism of grants often results in service and delivery delays. These delays have a particularly notable impact on the procurement units in the public hospitals, since confirmation of funding often governs when procurement may be initiated, and the timing of such confirmation is generally unpredictable. The public hospitals' resources have not always been adequate to meet all their procurement requirements on a timely basis. Little improvements have been made in this area and it remains a major challenge in the public hospitals.

Health care funds in Kenya come from the public (government), private companies and donors. The Kenyan health sector relies heavily on out-of-pocket payments. The National Hospital Insurance Fund is the main type of health insurance in

Kenya. Health services in Kenya are purchased by different organizations through various mechanisms. The main purchaser is the MoH which operates 191 government hospitals, 465 health centres and 2122 dispensaries. Other purchasing organizations include the local government, NHIF, CBHIs, private health insurance companies and employers (Jane and Vincent, 2011).

The public sector facilities are allocated budgets and staffs are paid salaries using pooled tax funds. Some donors have allocated money to support the health sector in Kenya. There is no agency responsible for ensuring that public funds allocated to health providers are used appropriately (Jane and Vincent, 2011).

2.2.5 Alternative procurement methods

The adoption and use of alternative procurement methods is not new. Not all public procurement is carried out in order to meet the direct needs or goals of public authorities. There are also instances of procurement cases where purchasing by state or public sector actors is directed not only towards fulfilling their own (original) tasks, but also aims to influence and support certain patterns of demand on the part of private consumers. In addition, there are some instances in which the latter goal is primary. On this basis, we can distinguish three main varieties of public procurement: direct, co-operative, and catalytic procurement. Essentially, these distinctions refer to different types of end-users and corresponding categories of societal need. The theoretical foundation for these distinctions was established in an earlier dichotomy between "direct" and "catalytic" procurement (Edquist & Hommen, 2000, pp. 22–23). In direct public procurement, the public agency or authority that carries out the procurement is the primary end-user of the product in question, and the needs that motivate the procurement are thus intrinsic to this procurer.

In catalytic public procurement, the procurement is conducted on behalf of end-users other than the public agency or authority that carries out the procurement and the societal needs that motivate the procurement can thus be said to be extrinsic to the procurer and located primarily within the private sector, among firms or individual consumers. It is also possible to refer to a third, "mixed" type of case, where the public agency or authority that carries out the procurement is one, but not the only, intended end-user of the product in question, and the needs that motivate the procurement are thus shared by the procurer and other intended end-users.

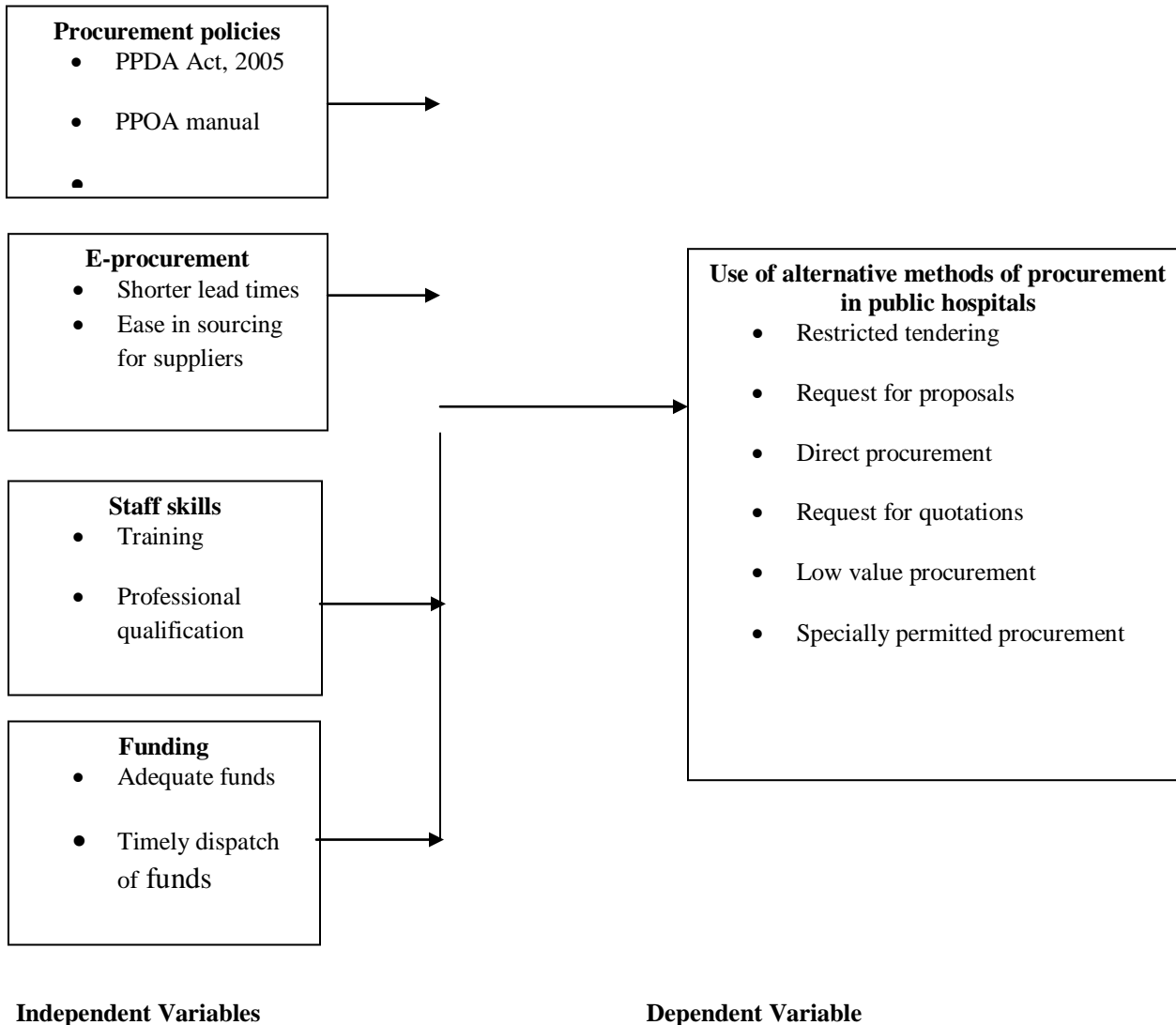


Fig 2.1 Conceptual Framework

2.3 Empirical Review

Open tendering is the main procurement procedure. There are seven different methods of procurement each with different conditions of use (PPDA, 2005). The alternative methods of procurement include the following:

Restricted tendering: A procuring entity may use restricted tendering if the following conditions are satisfied; competition for contract, because of the complex or specialized nature of goods, works or services is limited to prequalified contractors; the time and cost required to examine and evaluate a large number of tenders would be disproportionate to the value of the goods, works or services to be procured; there are only a few known suppliers of the goods, works or services as may be prescribed in the regulations.

Direct procurement: A procuring entity may use direct procurement as allowed under subsection (2), (3) or (3) as long as the purpose is not to avoid competition. A procuring entity may use direct procurement if the following are satisfied: there is

only one person who can supply the goods, works or services being procured; there is no reasonable alternative or substitute for the goods, works or services; there is an urgent need for the goods, works or services being procured and because of the urgency the other available methods are impractical; the circumstances that gave rise to the urgency were not foreseeable and were not the result of dilatory conduct on the part of the procuring entity; the following procedure in line with direct procurement shall apply; the procuring entity may negotiate with a person for the supply of goods, works or services being procured; the procuring entity shall not use direct procurement in a discriminatory manner; the resulting contract must be in writing and signed by both parties.

Request for proposals: A procuring entity may use a request for proposal for a procurement if the procurement is of services or a combination of goods and services; the services to be procured are advisory or otherwise of a predominately intellectual nature.

Request for quotations: A procuring entity may use a request for quotations for procurement if: the procurement is for goods that are readily available and for which there is an established market; the estimated value of the goods being procured is less than or equal to the prescribed maximum value for using requests for quotations

Procedure for low-value procurements: A procurement entity may use a low value procurement procedure if the estimated value of the goods, works or services being procured are less than or equal to the prescribed maximum value for that low-value procurement procedure; any other prescribed conditions for the use of the low-value procurement procedure are satisfied

Specially permitted procurement procedure: A procurement entity may use a procurement procedure specially permitted by the authority which may include concession and design competition.

According to Ian (2009), the time allowed for responses or tenders depends on which award procedure is used. He provided four award procedures that include: Open procedure, under which all those interested, may respond to the advertisement in the OJEU by tendering for the contract. Restricted procedure, under which a selection is made of those who respond to the advert and only they are invited to submit a tender for the contract. This allows purchasers to avoid having to deal with an overwhelming large number of tenders. Negotiated procedure under which a purchaser may select one or more persons with whom to negotiate the terms of the contract. Public authorities have a free choice between the open and restricted procedures, but may only use the negotiated procedure in the limited circumstances set out in the regulations. This tends to be where a contract is a very complex one. Competitive procedure where complex contracts are involved and it is not possible to objectively define the technical means of satisfying buyers needs or it is not possible to satisfy the legal make-up of the project.

In order to ensure public accountability, yet to gain optimum impact through the use of commercial best practice, there is need for professional training for those personnel responsible for all the procurement activities (Ian, 2009).

With the public procurement function being the one most prone to corruption (Thai, 2008) transparency and accountability ought to be key cornerstones of public procurement. This is particularly true in developing countries (Thai, 2008) where there is insufficient transparency and competition in the procurement process. Daniel Kaufman (2005) of the World Bank estimates that more than US\$1 trillion is paid annually in bribes (Thai, 2004). With 25% of Africa's GDP estimated to be lost every year to corruption (Thachuk, 2005 as cited by Estach & Limi, 2011), it is also clearly a major factor that influences procurement policy development. Garcia (2009) explains that public procurement raises many complex problems, beginning with unclear and opaque rules, which are the product of poor public policies, and the corruption and inefficiency caused by outdated practices. Garcia (2009) mentions that public procurement faces many challenges, some of them practical which threaten competition, transparency and equality of treatment, and some of them shadowy, such as dealing with cartels and the fight against corruption.

Accountability is government's obligation to demonstrate effectiveness in carrying out goals and producing the types of

services that the public wants and needs (Segal and Summers 2002). Lack of accountability creates opportunities for corruption. Brinkerhoff (2004) identifies three key components of accountability, including the measurement of goals and results, the justification or explanation of those results to internal or external monitors, and punishment or sanctions for non-performance or corrupt behaviour. Strategies to help increase accountability include information systems which measure how inputs are used to produce outputs; watchdog organizations, health boards or other civic organizations to demand explanation of results; performance incentives to reward good performance; and sanctions for poor performance. In South Africa, a district health planning and reporting system was used to improve management control and hold government agents accountable for their decisions. By combining financial and service data, the reporting system drew attention to clinics and programmes that had unusual indicators, and helped officials to explore root causes for performance differences, including possible corruption (Vian and Collins 2006). Information needed to fulfill their own task, thus minimizing chances for collusion and drug diversion (Vian 2006).

2.4 Critique of the existing literature

The literature reviewed according to Grierson and Needham (2006) argue that public procurement policies and appropriate use of the alternative methods of procurement reduces the likelihood of unethical behavior in the public sector, reassures the public and instills confidence in all stakeholders concerning the integrity of decisions as regards selecting a procurement method. This is not the case in Kenya, where demonstrated accountability does not always match the reduction of unethical behavior in procurement activities. The reviewed literature doesn't identify lack of appropriate use of procurement procedures and poor adherence to the public procurement policies as the cause of corruption in the public hospitals

2.5 Research Gaps.

There is need for a well functioning public procurement system where the alternative methods of procurement are used appropriately. This is particularly true for developing countries where procurement usually accounts for a high proportion of total expenditure. Kenya is committed to improving efficiency in the public procurement system at every opportunity for the purpose of enhancing accountability in decision making structures, adherence to the public procurement policies, professionalism to improve procurement performance; transparency in the procedures and policies that regard procurement. However, this can only be achieved with a full understanding of the factors influencing alternative methods of procurement. There is lack of sufficient information on these factors locally in Kenya to enable the government to fulfill its commitment. The existing literature in Kenya fails to capture the influence of those factors on the use of alternative methods of procurement. This study will therefore assess the factors influencing the use of alternative methods of procurement in public hospitals in Vihiga County.

2.6 Summary

Sound public procurement policies and practices are among the essential elements of good governance. Furthermore, a good procurement practice should embrace: efficiency, which requires that procurement processes be carried out as cost effectively as possible, where suppliers should be treated fairly, without discrimination or prejudice. Providing the public with goods, services and works is a complex process involving both the private and public sectors. The authors fail to bring the clear picture that corrupt procurement officers can also purchase sub-standard goods, services and works.

A sound procurement system is important in the operations of state corporations, adherence to public procurement policies, appropriate use of alternative methods of procurement, and the business environment are vital in the proper functioning of state corporations.

III. RESEARCH METHODOLOGY

The researcher utilized a descriptive survey research design as this allowed for an in- depth investigation of the problem under study (Yount, 2006). The design accurately described an association between variables minimizing bias and maximizing the reliability of the data (Kothari, 2004). Questionnaires were distributed to the respondents for collecting relevant data to the study. The research study targeted all the 118 procurement persons at the Vihiga County referral hospital, Emuhaya sub county hospital, Luanda sub county hospital, Hamisi sub county hospital and Sabatia sub county hospital. The study used a survey and a sample of 35 procurement personnel of the total population was obtained using simple random sampling method. The study used simple random sampling method in selecting the respondents to the study. In simple random sampling, a sample was selected so that each person in the population has the same chance of being included.

The sample frame of the study included a representative sample of the individuals working in the procurement functions at the hospitals. At least 30% of the total population is a representative (Borg & Gall, 2003). Thus, 30% of the accessible population was enough for the sample size in this study. Out of the 118 procurement personnel in the five public hospitals in Vihiga County, the researcher took 30% of the total population which was 35 respondents.

$$30/100 * 118 = 35.4$$

Therefore 7 respondents from each hospital were served with a questionnaire to respond to. The study relied on primary data. Structured questionnaires were developed and administered to the respondents who indicated their responses in the spaces provided. Structured questionnaires were used since they are

simple to administer and eased the data analysis process (Barnes, 2001)

A pilot study was conducted to pre-test the questionnaire as this brought to light the weaknesses of the data collecting instrument. The questionnaire was edited in the light of the results of the pilot study (Kothari, 2008). The researcher presented four questionnaires, one procurement officer from the four public hospitals was selected randomly to check on any ambiguities in them. The feedback was of great help as their input was incorporated in the final drafting of the questionnaires. Reliability was tested using Cronbach's alpha scores. ***Principal factor analysis was used to determine the content validity of the instrument***

Subsequent to the data collection, all the questionnaires were effectively checked for data authentication. The data was tabularized in line with the objectives of the study (Kombo & Tromp, 2006). The tabulated data was subjected to both quantitative and qualitative analysis. Quantitative data analysis was helpful in data evaluation because it provided quantifiable results that were easy to understand. Qualitative data analysis, on the other hand helped the researcher to gain in-depth understanding of the research findings. Quantitative data was analyzed through descriptive statistics in the form of frequencies tallies and percentages. The statistics were generated using statistical package for social sciences (SPSS) and data obtained was communicated through pie charts and tables. Qualitative data was analyzed by organizing them in accordance with the research questions and objectives.

After the analysis, the data was presented in tables and pie charts and recommendations and conclusions made thereafter.

IV. DATA PRESENTATION AND FINDINGS

This chapter presents the research findings through data analysis and presentation. This chapter begins with the demographic data of the research responses, age and the years of service at the public hospital. The research findings are in line with the research objectives and the research variables thus demonstrating the relationship between the various variables. The data is presented in form of tables and pie charts where necessary and they are in line with the research design and objectives.

4.1 Result of the pilot study

The study involved a random selection of 3 procurement personnel from 2 public hospitals in Vihiga County each. The findings are recorded below.

Table 4.1: Result of the pilot study

Variables	Cronbach's
Public procurement policies	0.701
E-procurement	0.769
Staff skills	0.731
Funding	0.720

The findings of the pilot study showed that knowledge of the public procurement policies had a Cronbach’s reliability value of 0.71. The use of e-procurement had a reliability alpha value of 0.769. The staff skills in procurement had a reliability alpha value of 0.731 and the availability of funds had a reliability alpha value of 0.720.

4.2 Background Information

4.2.1 Response rate

Table 4.2: Response rate

Population	Frequency	Percentage	
35	31	89%	100%

From table 4.2, the response rate was 89%. Mugenda & Mugenda 1999, states that a response rate of 60% is good, and above 70% is perfect. Since the response rate is 89%, it is excellent.

4.3.2 Age of respondents

The study sought out the age of the respondents who were the procurement personnel in the public hospitals within Vihiga County. The findings were recorded in figure 4.1.

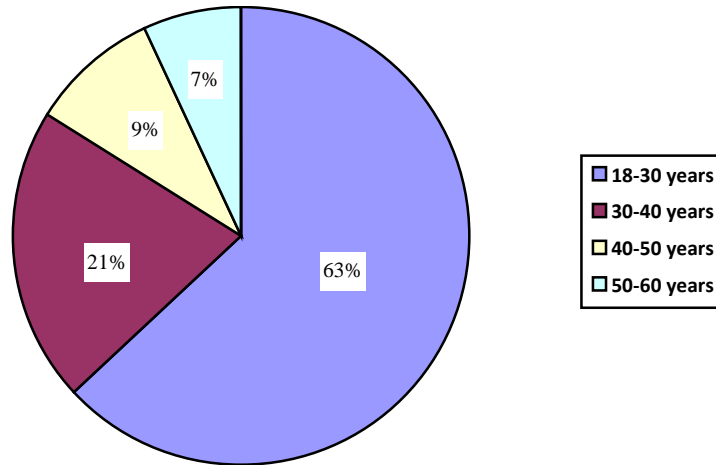


Figure 4.1: Age of the respondents

From the findings in figure 4.1, 63% of the respondents were aged between 18-30 years, 21% were aged between 30-40 years, 9% were aged between 40-50 years and 7% were aged between 50-60 years.

4.3.3 Years of service

The study sought to know the length of time the respondents have worked at their hospitals as this helped in determining their experience and knowledge of the hospital. The findings are indicated in figure 4.2.

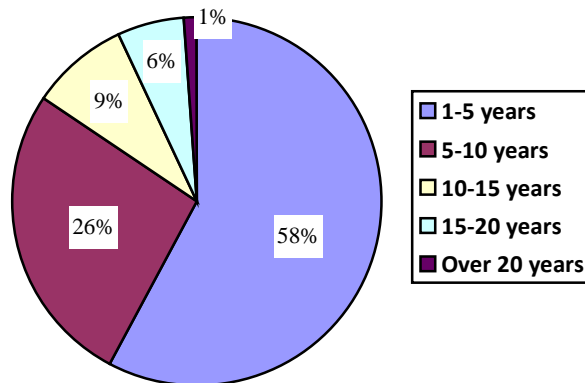


Figure 4.2: Years of service of the respondents at the public hospital

From the findings in figure 4.2, 58% of the respondents had worked at their hospitals for between 1-5 years, 26% had worked for between 5-10 years, 9% had worked for between 10-15 years, 6% had worked for between 15-20 years and 1% had worked for over 20 years.

4.3.4 Highest Level of Education

The study sought to know the highest level of education of the respondents. The findings are recorded in figure 4.3.

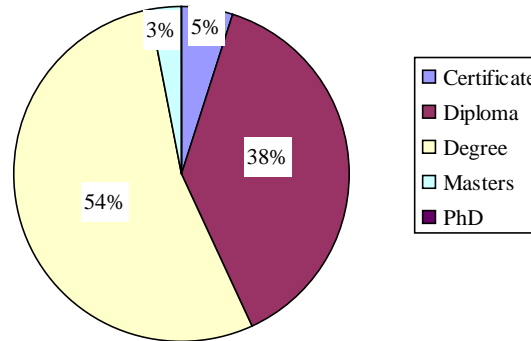


Figure 4.3: Highest level of education of the respondents

From the findings in figure 4.3, majority of the respondents, 54% were Degree holders, 38% were Diploma holders, 5% were Certificate holders, 3% were Masters degree holders and none of the respondents was a PhD holder.

4.4 Public procurement policies

The first objective of the study was to determine the influence of public procurement policies on the use of alternative methods of procurement in public hospitals in Vihiga County. The findings are recorded in the tables and chart.

Table 4.3: Public procurement policies

Question	Response		
Are you familiar with the requirements of the PPDA, 2005 and the PPOA manual for the health sector, 2009?	Yes (32%)	No (68%)	100%
Is the selection of a procurement procedure in your hospital greatly affected by the public procurement policies and regulations?	Yes (35%)	No (65%)	100%

From the finding in table 4.3, it was established that the majority of the respondents 68% were not familiar with the PPDA, 2005 and the requirements of the PPOA manual, 2009 of the health sector. 65% of the respondents believed that the procurement procedures at their hospitals are not affected by the public procurement policies in place and 35% of the respondents believed that some of the procurement activities at their hospitals are affected by the public procurement policies in place.

Table 4.4: Challenges faced in applying the procurement policies

Question	Response		
PPDA, 2005 is a new concept in the hospital procurement processes	Yes (86%)	No (14%)	100%
Split procurement at the hospital avoids the use of the proper procurement method	(65%)	(35%)	100%
Increased cost of open tendering method	(71%)	(29%)	100%
The procedure outlined in the PPDA, 2005 is cumbersome	(77%)	(23%)	100%
The documentation procedure is cumbersome	(83%)	(17%)	100%

From the findings in table 4.4, 86% of the respondents agreed that the PPDA, 2005 is a new concept in the procurement processes at the public hospitals while 14% of the respondents disagreed. 65% agreed that split procurement avoids the use of the proper procurement procedure while 35% disagreed. 71% agreed that open tendering is costly thus poses a challenge in using the method while 29% disagreed. The majority of the respondents 77% said that the procedure outlined in the PPDA, 2005 are cumbersome while 23% disagreed. 83% of the respondents said that the documentation procedure is cumbersome while 17% disagreed.

Table 4.5: Mostly used procurement method at the hospital

Statement	Response (%)		
Direct procurement	51%	100%	
Low value procurement	23%	100%	
Restricted tendering	11%		100%
Specially permitted procurement	6%	100%	
Open tendering	6%	100%	
Others	3%	100%	

From table 4.5, it was established that the mostly used procurement method in the public hospitals is direct procurement which had 51%, low value procurement had 23%, restricted tendering had 11%, specially permitted procurement had 6%, open tendering 6% and lastly other methods of procurement like request for quotations and requests for proposal had 3%.

4.5 E-procurement

The second objective of the study was to find out how e-procurement affects the use of alternative methods of procurement in public hospitals. The findings are recorded in the table and chart.

Table 4.6: E-procurement

Statement	Response	
Have you ever heard of e-procurement?	Yes (33%)	No (67%)
Does your hospital use e-procurement	Yes (01%)	No (99%)

From the findings in table 4.6, it was established that 67% of the respondents had never heard of e-procurement while 33% of the respondents had heard of e-procurement. It is clear that the public hospitals in Vihiga County do not use e-procurement in the selection of the procurement method to use. The findings are in support of Anne (2012) that e-procurement is not widely used in the public sector.

Table 4.7: sourcing for suppliers

Statement	Response (%)		
Internet	19%	100%	
References from other hospitals	16%	100%	
Books, journals and newspapers	6%		100%
Others	59%	100%	

From the findings in table 4.7, it was established that 6% source for suppliers using books, journals and newspapers, 16% source for suppliers using references from other hospitals, 19% source for suppliers via the internet and the majority 59% source for suppliers using other ways like the use of past records and the length of the relationship with their suppliers.

4.6 Staff skills

The third objective of the study was to establish the effect of staff skills on the use of alternative methods of procurement in public hospitals. The findings are recorded in the charts and table below.

Table 4.8 Academic qualifications in procurement

Statement	Response (%)		
Do you have the necessary academic qualifications in procurements	Yes (21%)	No (79%)	100%

From the findings in table 4.8 it was established that 79% of the respondents did not have the necessary academic qualifications in procurement while 21% of the respondents had the necessary academic qualifications in procurement.

Table 4.9: Training

Statement	Response	
Never been trained	53%	100%
Once a year	32%	100%
Twice a year	6%	100%
Once in every 3 months	9%	100%
Monthly	0%	100%

From the findings in table 4.9, It was established that 53% of the respondents had never been trained to improve on the procurement skills at their working stations, 32% had gone for training once a year, 9% had been trained once in every 3 months, 6% had been trained twice a year and non of the respondents had been trained on a monthly basis. This implies that the public hospitals in Vihiga County are not so keen in training their procurement officers to improve on their procurement skills.

Table 4.10: Staff skills

Statement	Response		
Is the selection of the procurement procedure in your hospital greatly affected by the procurement skills of the procurement officer?	Yes (64%)	No (36%)	100%
Have you ever been trained by the Public Procurement Oversight Authority?	Yes (01%)	No (99%)	100%

From the findings in table 4.10, 64% of the respondents agreed that the selection of the procurement method to use is greatly affected by the skills of the procurement officer while 36% disagreed. It was clear that the procurement officers at the public hospitals in Vihiga County had never been trained by the PPOA. The findings support the findings of Benon (2010) that the selection of a procurement method to use in the public sector is greatly affected by the skills of the procurement officer. Carr and Smeltzer (2000) assert that for purchasing to be at a strategic level, professionals need to possess a set of skills and competencies.

4.7 Funding

The fourth objective of the study was to determine the effect of funding on the use of the alternative methods of procurement in public hospitals in Vihiga County.

Table 4.11: Funding

Statement	Response		
Does the availability of funds affect the selection of the procurement method to use in your hospital?	Yes (87%)	No (13%)	100%
Do you have any other sources of funding apart from the government?	Yes (5%)	No (95%)	100%

From table 4.11, it was established that the availability of funds affect the selection of the procurement method to use because 87% of the respondents agreed to that while 13% disagreed. The public hospitals in Vihiga County heavily rely on the funds provided by the county government to carry out their procurement processes. The findings support the findings of Wayne and Habib (2010) that the availability of funds affects the management of the procurement function in the public sector.

4.8 Alternative methods of procurement

Table 4.12: Alternative methods of procurement

Statement	Response		
The requisition form filled by the user departments	Yes (86%)	No (14%)	100%
As a requirement of the PPDA, 2005	Yes (17%)	No (83%)	100%
The estimated value of goods, works or services to be procured	Yes (72%)	No (28%)	100%
The urgency of the requirement	Yes (92%)	No (8%)	100%
Limited number of suppliers	Yes (21%)	No (79%)	100%

From the findings in table 4.12, the majority of the respondents, 86% agreed that the requisition form filled by the user departments affects the selection of the procurement method to use at the public hospitals, 14% disagreed. 83% of the respondents said that the selection of the procurement method to use at their hospitals is not affected by the requirements of the PPDA, 2005, 17% disagreed. 72% agreed that the estimated value of goods, works or services to be procured affected the selection of the procurement method to use, 28% disagreed. 92% agreed that the urgency of the requirement affects the selection of the procurement method, 8% disagreed. 21% of the respondents agreed that the limited number of suppliers affected the selection of the procurement method to use, 79% disagreed.

Regression

Table 4.13 Model Summary for all the Variables

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.827 ^a	.685	.790	.387	1.850

Table 4.8 indicates that the value of the adjusted r squared R2 amount to 0.790 which is 79.0%. This shows that the factors that are not covered amount only to 20.8%. It therefore means that the four factors have a big influence on the use of alternative methods of procurement in public hospitals in Vihiga County.

Table 4.9: ANOVA for All Variables

Model	Sum of Squares	of Df	Mean Square	F	Sig.
Regression	1646.01131	4	.411	2.728	.000 ^b
Residual	75432.122	5	.151		
Total	77078.1333	9			

The ANOVA result for all variables indicates that there was a highly significant relationship between the variables at F = 2.728 and P = 0.000. This implies that there is a strong relationship between the four variables and the use of alternative methods of procurement in public hospitals in Vihiga County.

V. SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Major findings

5.1.1 Influence of public procurement policies

The study found out that public procurement policies influence the use of the alternative methods of procurement in the public hospitals in Vihiga County as this provides a legal framework that the hospital procurement officers ought to adhere to.

5.1.2 Use of e-procurement

The study found that e-procurement is not widely used in the procurement activities of the public hospitals in Vihiga County. E-procurement can influence the use of an alternative method of procurement as it helps in sourcing for suppliers via the internet.

5.1.3 Effect of staff skills

The study found a high relationship between the staff skills and the procurement methods that are used at the public hospitals in Vihiga County. The use of the alternative method of procurement is greatly affected by the skill of the procurement officer undertaking the procurement processes at the public hospitals in Vihiga County.

5.1.4 Effect of funding

It was established that the availability of funds influenced the use of alternative methods of procurement in the public hospitals in Vihiga County. Delays in funds from the county

government encouraged the use of direct procurement because of stock-outs and the urgency of the requirement.

5.2 Conclusion of the Study.

The study found out that the public procurement policies influenced the use of alternative methods of procurement in the public hospitals in Vihiga County. E-procurement influences the use of alternative methods of procurement because suppliers can be sourced via the internet. The skills of the procurement staff in the public hospitals in Vihiga County influences the use of alternative methods of procurement. The availability of funds has a great effect on the use of alternative methods of procurement in the public hospitals in Vihiga County. Political interference is also another factor that most respondents mentioned as an influence in the procurement procedures at the county hospitals.

5.3 Recommendations for the study

The following are recommendations of the study based on the findings.

5.3.1 Influence of public procurement policies

The public hospitals should strictly adhere to the laid down procurement selection procedures in the PPDA, 2005. The hospital management should be on the fore front in ensuring that public procurement policies are adhered to by the procurement officers. The PPOA together with the hospital management should offer frequent training to the procurement officers in the public hospitals on the public procurement policies.

5.3.2 Use of e-procurement

The public hospitals in Vihiga County should incorporate the use of e-procurement. E-procurement helps in the selection of the alternative methods of procurement as it reduces procurement costs of sourcing for suppliers thus increased supplier accessibility.

5.3.3 Effect of staff skills

The public hospitals in Vihiga County should ensure that their procurement personnel have the necessary academic qualifications in procurement. This will help them apply professionalism in the use of alternative methods of procurement.

5.3.4 Effect of funding

The County government of Vihiga should be prompt in remitting the funds to the public hospitals. The availability of funds influences the use of alternative methods of procurement in the public hospitals. The reduction in lead time will greatly influence the use of alternative methods of procurement.

5.4 Areas for Further Study

From the recommendations, it is clear that public procurement policies, e-procurement, staff skills and funding influence the use of alternative methods of procurement in public hospitals in Vihiga County. I suggest the following areas for further study: public procurement skills requirements, public procurement policies, procurement method selection, e-procurement, and funding.

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