Tendering Practices And Performance of Level Four Hospitals In Kiambu County, Kenya

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Tenacity: Consequently the sought to explore the relationship amongst tendering practices and performance of level four county referral Hospital in Kiambu County, Kenya. The study was steered by the subsequent specific objectives: tender advertisement, tender budgeting, tender evaluation and tender Information Technology adoption on performance of level four Hospital in Kiambu Kenya.

Keywords: Tender advertisement, tender budgeting, tender evaluation and tender information technology adoption on performance of level four hospital

1.1 Introduction

The supply chain includes manufacturer, suppliers, transporters, warehouses, wholesalers, retailers, other intermediaries and even customers themselves (Ongeri & Osoro, 2021). Any product traded on the consumer goods market, in its evolution from raw material to finished products, undergoes a series of successive transactions on the business to business market. For example, when a final consumer purchases a bottle of Coca Cola, he/she does not buy directly from Coca Cola, but from an intermediary (for example the hypermarket or neighborhood store) and the product goes through several transactions on the business to business market on the circuit Coca-Cola wholesaler retailer final consumer (Mrope, 2017). This is a supply chain believes that “a supply chain consists of all parties involved, directly or indirectly, in fulfilling a customer request. Within each organization, such as a manufacturer, the supply chain includes all functions involved in receiving and filling a customer request (Ongeri & Osoro, 2021).

1.1.1 Theoretical Review

A theory is a statement that is supported by evidence and meant to explain a certain phenomenon. Theories provide a general explanation to an occurrence and that a researcher should be conversant with theories that are applicable to his area of study (Ngumi, 2017). It guides research to determine what things to measure, and what statistical relationships to look for (Defee, Randal, Thomas & Williams, 2019). Thus, the theoretical literature helps the researcher to see clearly the variables of the study, provides a general framework for data analysis and helps in selection of applicable research design (Ngumi, 2017). The current study was guided by institutional theory, information processing theory, technology acceptance model.

1.1.2 Institutional Theory

The Institutional Theory, developed by John W. Meyer and Brian Rowan in 1977 and expanded upon by Paul J. DiMaggio and Walter W. Powell in 1983, is a prominent sociological theory that explains how organizations adopt certain practices and behaviors to conform to societal expectations and institutional norms. The theory posits that organizations, including public institutions like hospitals, shape their actions, structures, and strategies based on the prevailing social, cultural, and institutional context in which they operate (DiMaggio & Powell, 1983). According to the Institutional Theory, organizations strive for legitimacy and survival by institutionalizing specific practices, even if those practices may not be the most rational or efficient. Institutional pressures from external stakeholders, such as government bodies, regulatory agencies, professional associations, and public opinion, play a significant role in shaping an organization’s behavior and practices (Meyer & Rowan, 1977).

1.1.3 Information Processing Theory

The Information Processing Theory, developed by Herbert A. Simon and James G. March in 1958, is a fundamental cognitive theory that focuses on the practices by which individuals and organizations gather, interpret, and utilize information to make decisions. The theory posits that effective information management is crucial for decision-making practices, as it allows individuals and organizations to process vast amounts of information efficiently and accurately (Simon, 1958). In the context of procurement, the Information Processing Theory emphasizes the significance of proper tender budgeting. Tender budgeting involves systematically organizing,
storing, and retrieving data and documents related to procurement activities. In the procurement context, having well-managed records ensures the availability and accessibility of accurate and up-to-date information. This, in turn, enables procurement professionals to make well-informed decisions throughout the tendering practices.

### 1.1.4 Technology Acceptance Theory

The Technology Acceptance theory (TAT), established by Fred D. Davis in 1989, is a extensively used theoretical structure that emphasizes on users’ acceptance and adoption of new technologies. It postulates that users’ intentions to adopt a technology are stimulated by their apparent effectiveness and ease of use of that technology (Davis, 1989). When practical to the procurement process, TAT can offer valuable understandings into the adoption of Information Technology (IT) tools, which can enhance efficiency, communication, and collaboration among stakeholders. In the context of procurement, the adoption of IT tools can play a vital role in transforming traditional procurement practices. By implementing digital solutions such as e-procurement platforms, electronic bidding systems, and supplier management portals, procurement professionals can streamline their activities and improve overall procurement outcomes. TAT suggests that procurement professionals’ perceptions of the usefulness of IT tools, such as how these technologies can simplify practices, enhance decision-making, and improve information access, affect their willingness to adopt them. Similarly, the perceived ease of use, which refers to how straightforward and user-friendly the IT tools are, will also impact their adoption decisions. If the tools are perceived as user-friendly and easy to integrate into existing workflows, procurement professionals are more likely to embrace them in their day-to-day practices.

### 2.1 Tender Advertisement

The Procuring Body shall announce a public offer notice in at least one newspaper of wide circulation and on the Government’s Procurement Portal or Government of Belize’s website for a minimum period for advertising of twenty (20) days (Oteki & Sumwa, 2022). Advertising of Opportunities. Procurement notices shall be publicized as early as possible in newspapers of wide circulation and on the government (procurement) website. These notices should contain all the necessary information to enable the participation of pertinent bidders. The tender announcement period has to take into account the essential for endorsement usually at the announcement and award stages from the lender or donor, the necessity to observe to local or national government regulations and administrative procedures, whether it was advertised internationally, regionally or nationally and the opportunity of works (Ongeri & Osoro, 2021). A tender for one minor dam could be publicized nationally and responsible bidders given six to eight weeks to reply, including site visits and assembly of documents.

Thus, the bid period for this, counting announcement and evaluation could be around 12 weeks. A sequence of dams being sponsored by one or more donors may necessitate international announcement with time for potential tenders to collect documents, make site official visit and formulate timetables and bids in their home countries (Oteki & Sumwa, 2022). Such a bidder may necessitate up to 20 weeks to comprehensive with further time obligatory for the winning tender to marshal. The more complex the works and the size and number of dams to be built, the longer the bidder procedure will take. Procedures to assist in the groundwork of bidder and contract documents, and in the award of a contract for a simple project linking only one or two small dams, are given: The assessment modalities or any revised equivalents are to be attached to every bid document to license bidders to appreciate the proposed assessment process Always keep written records of noteworthy events and always advise tenders in inscription of any matter that could have legal consequences. Any precise information given to any bidder that is not in the documents ought be passed on, in inscription, to all other bidders (Ongeri & Osoro, 2021).

### 2.1.1 Tender Budgeting

Budget-driven procurement is a contract award method that exploits a fixed price in a bidder and thereby eliminates price as an award criterion. The contract is thus awarded on qualitative criteria only. Budget Driven Procurement works in a way that, after classifying a purchase need, the budget is fixed to a convinced price, which the buying institute is willing to pay (Ongeri & Osoro, 2021). The contract is then awarded to the proposal with the highest value for instance, quality or volume. While some contend that a “superiority-only” scoring tactic in bidders is a prospective way of maximizing the product superiority of bids with a fixed price, others contend that the more common “value-quality”-scoring methods outstrip the “superiority-only” method, especially when quality is contractible. Although the shift towards price intensification is being observed, Budget Driven Procurement as an award method appears to be exploited rather intermittent and raises the interrogation, if indeed, and for which details that might be the case. In the European Union, a contract has to be awarded to the Most Economically Beneficial (Oteki & Sumwa, 2022).

This can be assessed based on one of three methods: the lowest price method which awards the tender with the lowest price, without further award criteria the finest value-quality ratio method in which the value-quality ratio regulates the victor and the lowest cost method which takes into account the total life cycle costs of a creation and awards the bid with the lowest costs (Ongeri & Osoro, 2021). The best price-quality ratio method can take on different forms of price-quality weighing. For instance, weighing the value score against the excellence score, then divide the points respectively, and award the bid with the highest amount of points, would be one option. The superiority-only method, in which the acquisitions price is set in advance and the suppliers tender for quality alone, would be additional option and is called economical-driven procurement in this paper. Generally, public procurement has knowledgeable a paradigm shift in purchasing from buying for the lowest price, towards a fixed price method that emphasizes on exploiting the value of the budget for instance, in the form of sophisticated quality.
2.1.2 Tender IT Adoption

The impartiality of the study was to assess the consequence of E-tender advertisements on the functioning performance of SMEs in Murang’a County. To speech this objective, a five-point Likert gauge encompassing four items was rummage-sale. Any score below denoted that respondents were firmly in agreement with the item (Oteki & Sumwa, 2022). The highest-ranked items were; “Announcement of any change’s specification” and “Discount of time to access and respond to tenders”. The lowest-ranked items were; “Convenience of bids on the website ” and “Detachment elimination ”. From the study discoveries, all scores had a mean above 2.5, denoting that the majority of the respondents were firmly in agreement that E-tender advertisement had a significant contribution to e-tender in boosting the operational performance of SMEs (Ongeri & Osoro, 2021).

E-tender advertisement has a p = .000. Since the p-value is less than 0.05, the null hypothesis was rejected. It was then concluded that there is a significant relationship between E-tender advertisement and SMEs’ operational performance. Clearly, e-tender advertisement has an effect on the operational performance of SMEs by guaranteeing; notification of any change’s specification, reduction of time to access and respond to tenders, accessibility of tenders on the website and distance elimination (Ongeri & Osoro, 2021). IT adoption refers to the degree to which Information and Communication Technology tools and solutions are integrated into the hospital's procurement process. This encompasses various initiatives, such as the adoption of e-procurement platforms, digital bidding systems, and supplier management portals. The primary objective of IT adoption is to modernize procurement practices, enhance communication, and improve collaboration among stakeholders (Al-Adaileh & Al-Abdallah, 2019).

Tendering software availability assesses the availability and implementation of specialized software designed for tendering practices. The hospital's utilization of dedicated tendering software streamlines the procurement workflow, automates repetitive tasks, and ensures standardization in the tendering practices. Such software enables procurement professionals to manage bids efficiently, communicate with suppliers, and maintain transparency in the procurement procedure (Al-Adaileh & Al-Abdallah, 2019). Application rate assesses the extent to which IT gears are being exploited in the procurement procedure. This comprises the level of adoption of e-procurement podiums, the frequency of numerical request, and the exploitation of supplier management portals. A higher exploitation rate designates a successful integration of IT tools into the procurement procedure, leading to augmented effectiveness and helpfulness in conducting bids (Yusuf et al., 2020).

2.1.3 Tender Evaluation

The Tender Evaluation Committee shall be composed of members with the necessary skills, knowledge and experience, relevant to procurement requirements. Where appropriate, the members of the Evaluation Committee shall be on the basis of their knowledge and expertise in the supplies, works or services, as well as procurement procedures and the law. Tender Evaluation Committees was composed of up to five (5) members, with the required technical expertise suitable for the evaluation of specific tenders. Subject matter experts may also be used (Ongeri & Osoro, 2021). The Committee membership should be an odd number in total and include members who have skills in the following areas: Relevant technical expertise and knowledge; End user representation; Procurement and contracting skills; Financial management or analysis skills; Legal expertise (where possible). Evaluation of low value / routine procurement activities, where no Tender Evaluation Committee is necessary, shall normally be undertaken by the Procuring Entity staff, with the evaluation records / quotations securely kept for audit purposes by the Contractor General or the Government Auditors.

In the primary option, the technical and financial proposal are joint and offered in a single envelope. The additional option, called staged tender, comprises a two envelope system in which the technical Project(first envelope) is assessed and bids categorized before the financial offer additional envelope is opened (Oteki & Sumwa, 2022). It guarantees that price does not inspiration the technical assessment of the bid. This method should be favored, in particular in the case of multifaceted contracts. Where a two envelope submitting procedure is used, it should be designated in the tender document that tenderers are to place the technical and financial components of their biders in separate, clearly marked, envelopes. These envelopes are to be located inside a single envelope and normal processes apply for the billet of the tender. A points system should be embraced, based on criteria that can be attuned according to country, individual dam sites, scope of work and other issues (Ongeri & Osoro, 2021).

2.1.4 Performance of Level Four Hospitals

Finland has had a remarkable budget experience during the past decade. Finland’s public finances have traditionally been fairly balanced. In 1990, Finland had one of the lowest levels of debt among OECD member countries. Then, in the early 1990s Finland’s economy took a nosedive (Oteki & Sumwa, 2022). This was the consequence of the bubble economy bursting and the collapse of markets in the Soviet Union. In 1991-92 alone, GDP declined by a total of more than 10%. Unemployment rose from 4% in 1990 to 18% in 1993. Government deficits averaged 8-10% of GDP during the early 1990s. Finland’s level of indebtedness increased from about 10% of GDP to reach almost 70% of GDP at its peak. Recognizing the severity of the problem, the Finnish authorities embarked in the early 1990s on a fiscal consolidation program that is without equal among OECD member countries. In a series of measures, expenditures were significantly reduced throughout the period (Ongeri & Osoro, 2021).

By the completion of the 1990s, central government expenses as a measurement of GDP are estimated to have been almost 8% lower than they would have been without these measures. Most of the expenditure reduction packages were ad hoc in nature and often
assembled at the last minute in response to crisis, especially a run on the currency. In one memorable weekend, the government agreed on measures that decreased expenditures by 2% of GDP. As a result of these measures and due to strong economic growth, Finland is now once again enjoying budget surpluses and paying down accumulated debt. Finland’s budget position is, however, especially vulnerable as the ageing of the population will affect Finland more significantly than most OECD member countries (Ongeri & Osoro, 2021).

**Research Methodology**

A research design is the arrangement of condition from collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Collis & Hussey, 2003). The study adopted cross-sectional research design. The choice of a cross-sectional descriptive research design for this study was justified by its suitability in providing effective and accurate representations of study variables (Siedlecki, 2020). A cross-sectional design involves collecting data from a sample of participants at a specific point in time, allowing researchers to examine the relationships between variables without manipulating them. One of the key advantages of a cross-sectional design is that it facilitates the collection of data from multiple sources simultaneously.

### 3.1 TENDER ADVERTISEMENT

Plaintiffs were requested to give their view on the variable tender advertisement. From table 1.1, the plaintiffs solidly settlement that tender announcement guaranteed performance of Level four hospitals and periodic review in Kiambu County was viable (M=3.641, SD=1.1606); Through precise duration basis valuation the county has been able to variety rational choices on significance and non-significance services (M=3.731, SD=.8201); willingness to advertise twice in a widely circulated newspaper has contribution to better service delivery at level four hospital in Kiambu County (M=3.801, SD=.8006); assessment of known websites and frequent information transfer in tender advertisement it is important to maintain procurement service delivery at level four hospital in Kiambu County (M=4.159, SD=.7250); The management in kiambu County emphasis on performance of Level four hospitals to avert scam in service delivery at level four hospital in Kiambu County (M=3.739, SD=1.2019); and bidder announcement augments performance of Level four hospitals at Kiambu County (M=3.464, SD=.7016). This result agrees with the discoveries of Nyile et al. (2022) who experiential that vibrant description of tender advertisement, can augment real performance of Level four hospitals.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our hospitals ensures specification are clear for better Service delivery at level four hospital in Kiambu County</td>
<td>3.2741</td>
<td>1.1606</td>
</tr>
<tr>
<td>Through twice widely circulated newspapers, there is Service delivery at level four hospital in Kiambu County</td>
<td>3.731</td>
<td>.8201</td>
</tr>
<tr>
<td>Known websites has contribution to performance of Level four hospitals in Kiambu County</td>
<td>3.801</td>
<td>.8006</td>
</tr>
<tr>
<td>Precise evidence transfer is significant for tender advertisement</td>
<td>4.159</td>
<td>.7250</td>
</tr>
<tr>
<td>The administration of our services has permitted better Facility delivery at level four hospital in Kiambu County</td>
<td>3.739</td>
<td>1.2019</td>
</tr>
<tr>
<td>Tender advertisement augments performance of Level four hospitals at Kiambu County</td>
<td>3.464</td>
<td>.7016</td>
</tr>
</tbody>
</table>
1.3 SECTION C: TENDER BUDGETING

From table 1.2, plaintiffs decided that: The Kiambu County level four hospitals considers tender budgeting on facility delivery (M=3.749, SD=.7311); A procurement plan presence in home is probable to progress service delivery towards better performance of Level four hospitals in kiambu County (M=4.131, SD=.6205); Early endorsement of budget can accelerate performance of Level four hospitals Kiambu County (M=4.139, SD=.7301); Concluded yearly budget in place can have influence on performance of Level four hospitals in Kambu County (M=4.009, SD=.6116); proper tender assessment suppliers are accepted to assertion performance of Level four hospitals Kiambu County (M=4.192, SD=.7004); Dual synchronisation activities can enhances performance of Level four hospitals in Kambu County (M=4.150 SD=.7164). This results was in agreement with the discoveries of Ogeri and Osoro (2021), that the goal of tender budgeting is to guarantee performance of Level four hospitals in kambu County, Kenya. Effective tender budgeting minimizes or eliminates problems and potential claims and disputes. This agrees with the finding of Omide et al. (2022). It is essential for tender budgeting to understand the provisions of the supplier evaluation, have the ability to perform to all parties involved, and maintain control over the performance of Level four hospitals.

Table 1.2: TENDER BUDGETING

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our hospitals considers procurement plan on performance of Level four hospitals in Kiambu County</td>
<td>3.749</td>
<td>.7311</td>
</tr>
<tr>
<td>Early approval of budget permits performance</td>
<td>4.131</td>
<td>.7205</td>
</tr>
<tr>
<td>harmonisation of service doings can augments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance of Level four hospitals Kiambu County</td>
<td>4.139</td>
<td>.7301</td>
</tr>
<tr>
<td>Budget stableness augments performance of preference in Kiambu County</td>
<td>4.009</td>
<td>.6116</td>
</tr>
<tr>
<td>tendering can augments procurement performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of Level four hospitals Kiambu County</td>
<td>4.192</td>
<td>.7004</td>
</tr>
<tr>
<td>supplier tendering can assertion procurement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>performance of Level four hospitals Kiambu County</td>
<td>4.150</td>
<td>.7164</td>
</tr>
</tbody>
</table>

Pearson Correlation Analysis

The scholarship further conducted inferential statistics entailing both Pearson and regression analysis with a view to determine both the nature and respective strengths of associations between the conceptualized predictors such as tender advertisement, tender budgeting, Information adoption and tender evaluation and performance of Level four hospitals in kambu County, Kenya.

Table 1.3: Correlation Coefficients

<table>
<thead>
<tr>
<th>Performance level 4</th>
<th>Tender budgeting</th>
<th>IT adoption</th>
<th>Tender advert</th>
<th>Tender evaluation</th>
</tr>
</thead>
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Performance of level four Pearson Correlation 1
Tender budgeting Pearson Correlation .871* 1
IT Adoption Pearson Correlation .754** .264 1
Tender advert Pearson Correlation .768** .314 .335 1
Tender evaluation Pearson Correlation .801* .240 .286 .253 1
**. Correlation is significant at the 0.01 level (2-tailed).

From the findings, a positive correlation is seen between each variable and performance. The strongest correlation was established between Information adoption and performance of Level four hospitals in Kiambu County \( (r = 0.538) \) and the feeble relationship originate amongst tender assessment and performance of Level four hospitals in Kiambu County \( (r = 0.183) \). while tender budgeting and performance in Kiambu County were originate to be powerfully and absolutely linking with performance of Level four hospitals in kiambu County correlation coefficient of 0.307 and 0.413 respectively. This is tandem with the findings of Ongeri and Osoro (2021), who observed that all independent variables were found to have a statistically significant association with the dependent variable at over 0.05 level of confidence.

3.2.2: Regression Analysis

To inaugurate the degree of the consequence of supply chain for a regression analysis was shepherded, with the postulation that: variables are normally dispersed to avoid distortion of connotations and significance tests, which was realised as outliers were not identified; a linear relationship amongst the independent variables and dependent variable for accurateness of estimation, which was attained as the standardized coefficients were used in clarification. The multiple regression model was as follows:

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

Performance of Level four hospitals in kiambu County = \( \beta_0 + \beta_1 \) (tender advertisement) + \( \beta_2 \) (tender budgeting) + \( \beta_3 \) (Information Technology Adoption) + \( \beta_4 \) (tender evaluation) + error term. Regression examination shaped the coefficient of willpower and analysis of variance (ANOVA). Analysis of variance was complete to show whether there is a significant mean transformation amongst dependent and independent variables. The ANOVA was showed at 95% confidence level.

3.2.3 Model Goodness of Fit

Regression examination was used to found the strengths of relationship amongst the performance of Level four hospitals in kiambu County (dependent variable) and the forecasting variables; tender advertisement, tender budgeting, Information adoption and tender evaluation (Independent variables). The results exhibited a correlation value \( (R) \) of 0.761 which portrays that there is a decent linear
dependence between the independent and dependent variables. This outcome is in line with the discoveries of Ongeri and Osoro (2021). They experiential that this also to portray the meaning of the regression examination done at 95% confidence level. This suggests that the regression model is noteworthy and can thus be used to assess the connotation amongst the dependent and independent variables. This result is in line with the discoveries of Ittmann (2018), who experiential that examination of variance statistics scrutinis the changes amongst group means and their related processes.

### Table 1.4: Model Goodness of Fit

<p>| | | | |</p>
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</thead>
<tbody>
<tr>
<td>R</td>
<td>R2</td>
<td>Adjusted R</td>
<td>Std. Error of the Estimate</td>
</tr>
<tr>
<td>0.761</td>
<td>0.784</td>
<td>0.731</td>
<td>0.065</td>
</tr>
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</table>

With an R-squared of 0.784, the model demonstrations that tender advertisement, tender budgeting, Information adoption and tender evaluation can donate up to 78.4% on performance of Level four hospitals in kiambu County, while 21.6% difference is clarified by other gauges which are not wide-ranging in this study or model. A measure of goodness of fit synopses the inconsistency amongst experiential prices and the values predicted under the model in question. This approves the outcomes of Mwakubo and Ikiara (2007).

**Conclusion**

Consequently, from the foregoing, this study concludes that tender advertisement have broadly impacted on performance of Level four hospitals in kiambu County, Kenya. The results conclude that any county ought initiative encirclement the finest performance of Level four hospitals after refining supplier evaluation in Kenya. When community-private partnerships is incorporated concluded tender budgeting, IT Adoption, and tender evaluation then the enactment on performance of Level four hospitals in kiambu County, Kenya.

**REFERENCES**


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