

## **Influence of Procurement Records Management on Procurement Performance of Nakuru County Government**

**Wayua Jacintah<sup>1</sup> Mwangi James<sup>2</sup> Akwalu Ezekiel<sup>3</sup>**  
**St. Paul's University**

### **Abstract**

*Procurement performance is an essential function of County Governments in Kenya, as it enables them to acquire the goods, works, and services needed to deliver public services to citizens. However, County Governments including Nakuru County have been facing significant procurement performance challenges. Therefore, the study sought to determine the influence of procurement record management on the procurement performance of the Nakuru County Government. The study was anchored on the record lifecycle theory. The study adopted a descriptive research design. The unit of observation was 35 procurement and 47 finance officers working in the 10 county departments in the County Government of Nakuru. The census technique was adopted to incorporate all the targeted respondents. Primary data was collected using a questionnaire. A pilot test was conducted at Kericho County, where 8 questionnaires were issued to the procurement officers. The study collected both quantitative and qualitative data. Quantitative data was analyzed using Statistical Package for Social Sciences (SPSS) version 25. Data collected from the structured questions was analysed using both descriptive and inferential statistics. Descriptive statistics involved the use of percentages, frequencies, means, and standard deviations. Inferential statistics involves the use of correlation analysis and multiple regression analyses. Qualitative data from the interview schedules was analyzed using thematic analysis. After analysis, quantitative data was presented in the form of tables for easy interpretation, while qualitative data was presented in prose form. The study found that procurement record management had a positive and statistically significant effect on public procurement performance in the County Government of Nakuru, Kenya. The study recommended that the County Government should continue and possibly expand pre-tendering practices. Furthermore, the County Government should uphold the multi-criteria approach during tendering, emphasizing value for money and considering factors beyond just the lowest price.*

**Key Words:** *Procurement Record Management, Procurement Performance and Nakuru County Government*

### **1.0 Introduction**

Procurement Record Management refers to the systematic process of collecting, storing, managing, and maintaining all records associated with procurement activities (Namukasa, 2019). This includes documents such as purchase orders, contracts, vendor information, invoices, receipts, bid evaluations, and correspondences related to procurement processes. Effective

procurement record management ensures that all transactions and activities are transparent, traceable, and accessible for review or audit. Proper procurement record management promotes transparency and accountability in public spending (Ottou, Baiden & Nani, 2019). By maintaining detailed records of procurement activities, County Governments can demonstrate that they follow fair and lawful procurement processes, reducing the risk of corruption, fraud, or favoritism.

County Governments operate under strict procurement regulations and standards. Comprehensive record-keeping ensures compliance with legal frameworks such as public procurement laws, financial regulations, and audit requirements (Tumuhairwe & Ahimbisibwe, 2021). This compliance helps avoid legal disputes and financial penalties. Access to accurate and comprehensive procurement records allows County officials to make informed decisions. They can review past procurement activities, analyze vendor performance, and identify areas for improvement, enhancing the overall efficiency of procurement processes (Matto, 2022). Effective record management contributes to better procurement performance by streamlining processes. It enables easy tracking of contracts, monitoring of delivery schedules, and prompt payment processing. Efficient management of procurement records can also improve supplier relationships, negotiation capabilities, and cost savings.

Proper procurement records help identify and manage potential risks, such as supplier defaults, price fluctuations, or contract non-compliance (Lusuli & Rotich, 2019). They also provide evidence to resolve disputes with vendors and protect the County Government against legal claims. County Governments are subject to regular audits to ensure the proper use of public funds. Detailed procurement records facilitate smooth auditing processes by providing auditors with necessary documentation to assess compliance, performance, and financial integrity. Additionally, accurate records support the preparation of reports for stakeholders, including the public and oversight bodies (Ahimbisibwe, 2021).

In the United States, procurement records management practices are guided by the Federal Acquisition Regulation (FAR) at the federal level and various state-specific regulations at the state and local levels. Federal agencies are required to maintain comprehensive documentation for every stage of the procurement process, including solicitation, contract award, and contract administration (Afifah, 2021). FAR emphasizes the importance of accurate record-keeping to support transparency, accountability, and compliance with Government regulations (Vonortas, 2019). Electronic systems, such as the System for Award Management (SAM) and the Federal Procurement Data System (FPDS), facilitate managing and storing procurement records, allowing federal agencies to access and review records efficiently. State and local Governments also employ their own procurement management systems, tailored to local regulations, to ensure that records are maintained and are made easily accessible for audits and public review (Matto & Athumani, 2019).

In Rwanda, procurement records management is governed by the Public Procurement Law, and the Rwanda Public Procurement Authority (RPPA) which plays a central role in enforcing these practices. The country has adopted the Integrated Procurement Management System (IPMS), an electronic platform that streamlines the entire procurement process (Madsen et al., 2020). This

system allows for the recording and storage of procurement data, from tendering to contract management, ensuring transparency and efficiency. IPMS provides easy access to procurement records, which are essential for auditing and compliance checks. Additionally, the establishment of the Procurement Professionals Association of Rwanda (PPAR) has enhanced record management practices by promoting professionalism and providing training programs to build procurement capacity (Lusuli & Rotich, 2019).

In Kenya, procurement records management is governed by the Public Procurement and Asset Disposal Act, with the Public Procurement Regulatory Authority (PPRA) ensuring compliance and overseeing the process. The country has implemented the Integrated Financial Management Information System (IFMIS), an electronic platform designed to facilitate and manage procurement transactions. IFMIS allows for the digital submission of bids, electronic tracking of procurement activities, and storage of records, including supplier databases, contract details, and payment transactions (Wanjiru, 2019). This system enhances transparency, accountability, and efficiency by providing Government agencies and suppliers with a centralized platform to manage procurement records throughout the process. The PPRA's role in conducting audits and maintaining a supplier database further supports comprehensive record management practices, ensuring that procurement activities remain transparent and fair.

### **Statement of the Problem**

Procurement records management plays a crucial role in ensuring transparency, accountability, and efficiency in public procurement processes. In Nakuru County Government, procurement activities are integral to the delivery of public goods and services. However, there have been concerns regarding inefficiencies in procurement performance, such as delays, cost overruns, and lack of transparency, which may be linked to poor procurement records management practices. Effective management of procurement records is vital for tracking procurement processes, ensuring compliance with regulatory frameworks, and facilitating timely decision-making. Despite the importance of proper procurement records management, there is limited empirical evidence on its influence on procurement performance in the Nakuru County Government.

### **2.0 Literature Review**

The study adopted the records lifecycle theory. Record life cycle theory is a framework used in records management to explain the stages that records go through from their creation to their eventual disposition. The theory proposes that records go through different stages during their life cycle, each requiring specific management practices and strategies to ensure their proper management, preservation, and use. The theory was relevant to the current study in that it emphasizes the importance of effective records management practices at each stage of the life cycle to ensure that records are properly managed and used to support organizational goals and objectives. The theory also emphasizes the need for a systematic and structured approach to records management that involves the development of policies, procedures, and systems for managing records throughout their life cycle. Hence the theory helps in explaining the effects of procurement records management on procurement performance in the County Government of Nakuru.

### **3.0 Methodology**

The study adopted a descriptive research design. The descriptive research design was effective for this study, hence it was used to solicit the desired information through the adoption of a questionnaire and interview schedule (Dubey & Kothari, 2022). The unit of analysis was 10 departments in the County Government of Nakuru. The unit of observation was top and middle level employee working in procurement and finance departments. This included 35 procurement and 47 finance officers working in the 10 departments in the County Government of Nakuru. The study adopted census technique to incorporate all the targeted respondents. Primary data was collected using structured questionnaires and interview schedules (Davidavičienė, 2018). The questionnaires contained closed-ended/structured questions that can only be answered by selecting from a limited number of options to enable the researcher to collect focused quantitative data that is easy to group, compare and analyze. The design of the questionnaire was based on a multiple-item measurement scale and a five-point Likert scale was employed. The researcher then issued questionnaires to the sampled procurement and finance officers through the department heads. The questionnaires were collected after two weeks using the drop and pick later method.

A pilot-test was conducted at Kericho County where 8 questionnaires were issued to the procurement officers. Data collected from the pilot study was not incorporated in the main study. For construct validity, the study used short, straight forward and close ended questions that were easily understood (Awang, 2012). Criterion validity was ascertained by comparing the average scores of the different groups of respondents using Analysis of Variance (ANOVA). Reliability in this study was enhanced by pre-testing the questionnaire with a selected sample which was not included in the main study. An internal consistency technique was applied using Cronbach's Alpha, a statistic that determines whether a collection of items consistently measures the same characteristic. The study collected both quantitative and qualitative data. Qualitative data from the interview schedules was analyzed using thematic analysis. Quantitative data was analysed using Statistical Package for Social Sciences (SPSS) version 25 to generate descriptive and inferential statistics. Descriptive statistics involved the use of percentages, frequencies, mean, and standard deviations. Biodata was analysed by use of descriptive means involving frequency and percentages. The quantitative result was presented in tables for easier interpretation of the findings. Inferential statistics involved the use of Pearson's correlation analysis and regression analysis.

### **4.0 Results and Discussion**

The chapter focuses on data analysis, results presentation and discussion of the findings

#### **Response Rate**

The study administered 82 questionnaires for data collection. However, 73 questionnaires were properly filled and returned. This represented 89% overall successful response rates.

**Table 1: Response Rate**

Questionnaires Issued	Questionnaires Correctly Filled	Response Rate (%)
82	73	89

**Procurement Records Management on Public Procurement Performance**

The respondents were asked to indicate their level of agreement on the influence of procurement record management on public procurement performance in the County Government of Nakuru. The findings are presented in Table 2.

**Table 2: Procurement Records Management on Public Procurement Performance**

Statement	S A %	A %	U %	D %	SD %	Mean	Std
Pre-tendering brings about many suppliers thus opening up positions for innovation and cost-effectiveness	52	39	9	0	0	4.419	0.667
Pre-tendering leads to strategic advantage through cost leadership of the suppliers	37	31	19	13	0	3.887	1.073
Pre-tendering of suppliers minimizes the cost incurred in screening and analyzing bids tendered	44	40	6	10	0	4.177	0.932
Tendering process brings about economic cost and value for money through effective suppliers' selection	37	39	10	14	0	3.984	1.032
Tendering has brought about a multi-criteria selection approach during tendering rather than the notion of lowest-price wins	42	39	11	8	0	4.145	0.921
Tendering process enhances most competitive firms in terms of cost of supply to win the tender	44	38	7	7	4	4.273	.689
Contract administration helps in decision making on how goods will be procured.	62	32	3	3	0	4.604	.670
Effective contract administration ensures that the terms of the contract are adhered to	55	42	3	0	0	4.516	0.565

According to the findings, the majority of the respondents (91%) agreed that the pre-tendering brings about many suppliers, thus opening up positions for innovation and cost-effectiveness with a mean of 4.419 and a standard deviation of 0.667. The findings further indicated that the majority of the respondents (68%) agreed that pre-tendering leads to strategic advantage through cost leadership of the suppliers, with a mean of 3.887 and a standard deviation of 1.073. Also, the findings indicated that majority of the respondents (84%) agreed that pre-tendering of suppliers minimizes the cost incurred in screening and analyzing bids tendered with a mean of 4.177 and a standard deviation of 0.932. The study findings are in line with those of Namaganda (2019) who found that pre-tendering activities enable organizations to assess the financial stability, past performance, and capabilities of potential suppliers. This risk assessment helps in

selecting suppliers with a higher likelihood of meeting contract requirements, minimizing the risk of project delays or failures.

Furthermore, majority of the respondents (76%) agreed that tendering process brings about economic cost and value for money through effective suppliers' selection with a mean of 3.984 and a standard deviation of 1.032. Also, majority of the respondents (81%) agreed that tendering has brought about multi-criteria selection approach during tendering rather than the notion of lowest price wins a mean of 4.145 and a standard deviation of 0.921. Similarly, the majority of respondents (82%) agreed that tendering process enhances most competitive firms in terms of cost of supply to win the tender with a mean of 4.273, and standard deviation of 0.689. The study findings are in line with those of Namukasa, (2018) who found that the tendering process promotes transparency and fairness in procurement. Allowing multiple firms to bid on the same terms ensures merit-based selection, fostering trust among suppliers and stakeholders.

Furthermore, majority of respondents (94%) agreed that contract administration helps in decision making on how goods will be procured with a mean of mean 4.604 and a standard deviation of 0.670. Moreover, majority of the respondents (97%) agreed that effective contract administration ensures that the terms of the contract are adhered to with a mean of 4.516 and standard deviation of 0.565). The standard deviation ranged from 0.667 to 1.073 indicating that majority of the respondents agreed with the issues raised. The study agrees with that of Omae, (2017) who noted that effective contract administration provides a framework for resolving issues that may arise during the contract period. This proactive approach minimizes disputes and ensures that any deviations from the agreed-upon terms are addressed promptly.

The researcher further sought to assess how tendering affects procurement performance in the County Government of Nakuru. One of the respondents concurred that

Tendering significantly impacts procurement performance in Nakuru County Government by fostering competition, ensuring transparency, and promoting value for money. The tendering process allows for the selection of suppliers based on a comprehensive evaluation, considering factors beyond just cost. This approach enhances the quality and reliability of suppliers, contributes to cost-effectiveness, and ensures that the government engages with the most competitive firms, thereby positively influencing overall procurement performance (Procurement Employee from Water Environment Energy and Natural Resources Department).

### Public Procurement Performance in the County Government

The respondents were asked to indicate their level of agreement on public procurement performance in the County Government of Nakuru. The findings are presented in Table 3.

**Table 3: Public Procurement Performance in the County Government**

Statement	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Std. Deviation
The County Government has put in place cost saving measures in the procurement of goods and services	64	29	2	5	0	4.403	0.778
The County Government has been able to reduce the operational costs through cost saving in procurement of goods and services	54	30	8	5	3	4.307	0.738
Delivery time management affects procurement performance in the County Government of Nakuru.	38	38	4	11	9	4.145	0.807
Goods and services are procured within the estimated deadlines	43	34	7	5	11	4.387	0.869
Supplier quality affects procurement performance in the County Government of Nakuru.	30	54	5	8	3	4.181	0.513
Order cycle time affects procurement performance in the County Government of Nakuru.	49	40	3	5	3	4.403	0.778
The County Government selects suppliers with a track record of on-time delivery	44	38	7	7	4	4.273	.689

According to the findings, the majority of respondents (93%) agreed that the County Government has put in place cost saving measures in the procurement of goods and services with a mean of 4.403 and a standard deviation of 0.778. Furthermore, the majority of respondents (84%) agreed that the County Government has been able to reduce the operational costs through cost saving in procurement of goods and services with a mean score of 4.307 and a standard deviation of 0.738. Moreover, majority of the respondents (76%) agreed that delivery time management affects procurement performance in the County Government of Nakuru with a mean of 4.145 and a standard deviation of 0.807. According to Anand, Sahay and Saha (2018), suppliers' timely delivery of goods and services is essential for maintaining the operational efficiency of the County Government. Delays in procurement can lead to disruptions in services, project delays, and increased costs.

Further, majority of the respondents (77%) agreed that goods and services are procured within the estimated deadlines with a mean of 4.145 and standard deviation of 0.807. From the findings, majority of the respondents agreed that supplier quality affects procurement performance in the County Government of Nakuru with a mean of 4.181 and standard deviation of 0.513. Further, majority of the respondents (89%) agreed that order cycle time affects procurement performance

in the County Government of Nakuru with a mean of 4.403 and standard deviation of 0.778. Also, majority of the respondents (82%) agreed that the County Government selects suppliers with a track record of on-time delivery (mean=4.273, SD=0.689). According to Basheka (2019), selecting suppliers with a proven track record of on-time delivery enhances the reliability of the procurement process. Reliable suppliers contribute to the stability and continuity of Government operations.

The researcher also sought to assess how savings affect procurement performance in the County Government of Nakuru. One of the respondents agreed that

Cost savings are a key driver of procurement performance in Nakuru County Government. Implementing cost-effective procurement strategies, negotiating favorable terms, and identifying opportunities for savings contribute to efficient resource allocation. Savings can be reinvested in other crucial areas, improving service delivery, and enhancing overall government effectiveness. Therefore, a focus on cost savings directly correlates with positive procurement performance in Nakuru. (Finance Staff from County Treasury Department).

The researcher also sought to assess how delivery management affects procurement performance in the County Government of Nakuru. One of the respondents agreed that

Effective delivery management is crucial for procurement performance in Nakuru County Government. Timely delivery of goods and services ensures that projects and services are not delayed, contributing to overall operational efficiency. Proper delivery management, including constant communication with suppliers, minimizes the risk of disruptions and enhances the government's ability to meet its commitments (Public Services Training and Devolution Infrastructure Department)

## **Discussion**

From the findings on the hypothesis testing that p-value was 0.016 which was less the 0.05 significant level. Therefore, based on the rule of significance, the study rejects the null hypothesis ( $H_{01}$ ) and concludes that procurement records management has significant effect on the public procurement performance in the County Government of Nakuru. The study agrees with Muinde, Mukulu and Odari, (2020) findings which revealed that procurement records management and procurement performance had a significant positive relationship with the procurement performance. The study findings are also in line with those of Mordecai, (2022) findings which revealed that records management attributes significantly affect procurement performance in Tanzania. Furthermore, Government policy and integrity factors confound the association between records management and procurement performance.

## **5.0 Conclusions and Recommendations**

Based on the findings of the study the researcher concluded that there is a positive and statistically significant correlation between procurement records management and public procurement performance in the County Government of Nakuru, Kenya. The study also concluded that majority of the respondents agreed that tendering has brought about multi-criteria selection approach during tendering rather than the notion of lowest price wins. The study also concluded that majority of the respondents agreed that tendering process enhances most competitive firms in terms of cost of supply to win the tender. The study also concluded that

majority of the respondents agreed that contract administration helps in decision making on how goods will be procured. Moreover, the study revealed that effective contract administration ensures that the terms of the contract are adhered to.

The study highlights the positive impact of pre-tendering on supplier diversity, innovation, and cost-effectiveness. To capitalize on these benefits, the County Government is advised to continue and possibly expand pre-tendering practices. Emphasizing the strategic advantages of cost leadership through pre-tendering aligns with the findings and should be integrated into procurement strategies. Furthermore, the County Government should uphold the multi-criteria approach during tendering, emphasizing value for money and considering factors beyond just the lowest price. Effective contract administration remains crucial, and the government should prioritize decision-making processes and adherence to contract terms.

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