EFFECTS OF CONTRACT MANAGEMENT ON PROCUREMENT PERFORMANCE IN INSTITUTIONS OF HIGHER LEARNING WITHIN NAIROBI **COUNTY**

Njeri Alice Wanjiru

Msc. Human Procurement and Logistics, Jomo Kenyatta University of Agriculture & Technology

Dr. David Kiarie Mburu

Lecturer.

Jomo Kenyatta University of Agriculture and Technology

CITATION: Wanjiru, N., W. & Mburu, D., K. (2016). Effects Of Contract Management On Procurement Performance In Institutions Of Higher Learning Within Nairobi County. *International Journal of Human Resources and Procurement.* Vol 5(10) pp 166 – 202

ABSTRACT

The study focused on investigating the effect of contract management on procurement performance on institutions of higher learning within Nairobi County. In addressing the latter, the research established the effect of relationship management, Contract administration, contract appraisal and contract closure on procurement performance as the specific objectives of the study. The literature review introduced various dimensions on effect of contract management on procurement performance which included background of the study, theoretical review, conceptual framework, empirical review, critique of existing literature, summary and research gaps. The beneficiaries of the study are future researchers, institutions of higher learning and the government. Descriptive research design was used for the study and the questionnaire was the main data collection instrument. The study constituted a census of contract managers in these different institutions of higher learning within Nairobi County, the number of employees in the census were 152. Pilot testing was done to ensure the reliability and validity of the instrument. Statistical analysis was carried out using Statistical Packages for Social Science to generate information which was presented using tables, charts, frequency distribution table and percentages. Inferential statistics was used to make predictions or inferences about the population from observations and analyses. The regression model was used to show the relationship between the dependent variable and the independent variables. Results were presented by charts and tables. The study findings indicate that the four variables, that is relationship management, contract administration, post contract appraisal and contract closure positively and significantly affect procurement performance. Institutions of higher learning embrace more of relationship management. Even though all the variables were found to be affecting procurement performance, majority of the institutions have no systems and mechanisms in place to administer, monitor, evaluate and finally terminate the contracts. It was therefore recommended that institutions of higher learning need to have such systems in place to ensure sustainability of future contracts. The study recommends that future studies should focus on comparing contract management practices in the public sector to those of the private sector. Also the studies should focus on other factors affecting procurement performance other than contract management.

Key Terms: Contract Management, Contract Closure, Procurement Professional, Relationship Management, Contract Manager

http://www.ijsse.org ISSN 2307-6305 Page | i

INTRODUCTION

According to PPOA (2009) procurement contract is a written agreement between a procurement entity and a supplier, a contractor which is enforceable by law. Contract management pertains to preparation of procurement documentation, the processing and approval of such documentation, monitoring contract implementation, approving and administering contract variations and modifications, and possibly cancelling or terminating contracts.

Contract administration is the management of contracts made with vendors, customers, employees or partners. Contract management involves negotiating the conditions in contracts and terms and ensuring obedience with the terms and conditions, as well as documenting and harmonizing on any changes or adjustments that may come up during its execution or implementation. It can therefore be summed up as the process of efficiently and systematically, execution and managing contract creation, and analysis for the purpose of maximizing operational performance together with financial and minimizing risk.(Abeerdeen, 2007).

Contract life cycle management is the process of efficiently and systematically managing contract creation, analysis and execution for maximizing financial and operational performance and minimizing risk. The foundations for effective and successful post-award contract management rely upon careful, comprehensive and thorough implementation of the upstream or pre-award activities. At the pre-award stages, the emphasis should be concentrated on why the contract is being developed and on whether the supplier is capable to deliver in service and technical terms. However, cautious consideration must be given to how the contract will work once awarded (CIPS, 2007).

PPOA (2009) points out that, sound contract management of a project revolves around control of cost, time, quality and resources. Cost control means the execution and completion of the project within the agreed time schedule; quality control means execution of the project in conformance with technical requirement and specification; resource control refers to the management resources personnel, equipment, and supplies. These key deliverables in contract are echoed by Meredith and Mantel (2012), who emphasize on planning, monitoring and controlling of time, cost and scope. For each contract entered into, the procuring entity must designate a member of staff, or a team of staff, as the contract administrator responsible for administering the contract. There should be a team approach to the contract management of large and complex projects.

For a sound project contract management Brown and Hyer (2010) identifies some critical success factors which include; the ability to identify metrics relevant to the project, that is, a balanced set of performance indicators; capacity to generate accurate information; visibility to team members to enable every individual player/stakeholder to know what is being measured and have ready access to the information; ability to provide a basis for problem discovery and solution; the system should be in-built into the project plan right from the point of project planning stage; the capacity to generate timely information for timely decision making and corrective action. Cleland & Bidanda (2009) have stated that in a highly connected and competitive world, most projects must function in an environment that interacts with joint ventures, alliances, multinational sourcing, sub-contractors, and intricate vendor relations. Relationships with external organisations are managed through contracts. In general, companies provide services or products based on the results of direct contract negotiations with the client. One of the most important factors in preparing a proposal and estimating the cost and profit of a project is the type of contract expected.

Important work by Pryke, (2006) treated projects as a network of relationships that need managing to achieve project success. In the construction sector, a number of studies have identified the importance of managing the interrelationships between parties within a project. Studies focusing on organizing projects as temporary multiparty organizations in the 1980s came from Bresnen, (1988) in the United Kingdom, and from Packendorff (1995) in Europe. Brensen and Marshall (2000) further looked at partnering within the construction industry. A key issue remained of how to embed partnering relationship into the contract. the contract form to govern the relationship and resolve conflicts among the contracting parties has been explored by various parties such as Lazar (2000), and Cicmil and Marshall (2005) but with no specific contractual devices developed.

Statement of the Problem

New regulatory requirements, globalization, increase in contract volumes and complexity have resulted in an increasing recognition of importance and benefits of effective contract management (CIPS, 2007) Contract Management in public procurement has significant implications for service delivery. Any challenges accruing from this function pose several

http://www.ijsse.org ISSN 2307-6305 Page | 167 challenges yet, contract management offers an important framework for ensuring the success of any procurement undertaking (Kakwezi, 2012).

The Common Market for East and Southern Africa (COMESA, 2011) guidelines observes that neither the Common Market for Eastern and Southern Africa Procurement Directive, nor the United Nations Commission On International Trade Law Model, specifically address the subject of contract management. As Investment Climate Statement (2013), Transformation Index - Kenya (2014) reveal, Kenya loses a lot of taxpayers' money to improper procurement practices, specifically because of poor contract management practices. Data shows that the government of Kenya spends between 10percent –30percent of Gross Domestic Product on procurement alone (Maria, 2013). Out of that 5% goes to waste due to lack of proper management of the contracts (Gordon, 2009).

As a result of these economic situations, the World bank and the International monetary Fund (IMF) had to intervene by putting in stringent conditionality's for lending funds to the government which slowed down economic development by 2.1 percent (Transparency International, 2009). Taking the case of procurement audits conducted by PPOA in 2009, it was attested that procurement contracts in 33% of the audited procurements (in 30 Public Entities) were not implemented as per the terms of the contract, including public universities. Poor contracts management was contributed by inadequate human and financial resources, weak contract terms, poor supervision and quality control, inadequate contracts management skills and corruption (PPOA, 2009). Also the Price Water Coopers report (2010) for the financial year 2008/09 revealed that procurements amounting Kshs. 147,018,075 were misappropriated as a result of weaknesses in contracting and contract management which in return hindered the achievement of value for money in such public institutions, public universities included.

Gupta, Karayil & Rajendran (2008) reveal that poor contract management causes substantial loss of savings. They also argue that 30 to 70% of each dollar of savings that is negotiated by as strategic outsourcing is lost. Another study was done by Rotich (2014) on contract management practice and operational performance of state corporations in Kenya. Kikwezi (2012) did a study on procurement contract management in public procurement and disposal entities Kibogo & Mwangangi, (2014) factors affecting contract management in public procurement sector in Kenya. With all this studies it implies that little research have been conducted on effect of contract management on procurement performance itself. With these knowledge gaps this study therefore tends to investigate the effect of contract management on procurement performance specifically looking at Public Universities in Nairobi County.

Objectives of the Study

- To determine the extent to which relationship management affects procurement i. performance in higher learning institutions within Nairobi County.
- ii. To assess the effect of contract administration on procurement performance higher learning institutions within Nairobi County within Nairobi county.
- iii. To investigate the effect of post contract appraisal on procurement performance in higher learning institutions within Nairobi County within Nairobi county.
- iv. To find out the effect of contract closure on procurement performance in higher learning institutions within Nairobi County within Nairobi county

Theoretical Framework

A theory includes a set of basic assumptions and axioms as the foundation and the body of the theory is composed of logically interrelated, empirically verifiable prepositions. Theoretical framework provides the research the lens to view the world clearly (Camp, 2001). This section will present the theoretical framework guiding the study. This study was supported by Stakeholders theory, theory of constraints, the principle agent theory, contract theory and the Marxist theory on performance.

a) Stakeholders Theory

Stakeholder theory originated by Freeman (1984) is defined as "any group or individual who can affect or is affected by the achievement of the organization's objectives". Unlike agency theory in which the managers are working and serving for the stakeholders, stakeholder theorists suggest that managers in organizations have a network of relationships to serve that include the suppliers, employees and business partners. This theory is used to explain relationship management on contract management. According to Freeman (2002), each stakeholder is given an important say in making important decisions. Business and executives who manage them, should create value for customers, suppliers, communities and financiers (Stieb, 2008) The stakeholder theory argues about the importance of a firm paying special attention to the various stakeholder groups that are deemed to have a stake in the operations of an organization. The representation of all stakeholder groups on boards is therefore necessary for effective procurement performance (Gibson, 2000). The model depicts the stakeholders in a typical large corporation. The stakes of each are reciprocal, since each can affect the other in terms of harms and benefits as well as rights and duties (Freeman, 2002). Owners have financial stake in the corporation and expect returns. (Frey & Nickerman,

Page | 169 http://www.ijsse.org

2009). The stakeholder's theory will be used to establish how relationship management affects procurement performance through supporting different stakeholders such as the suppliers, the government, civil society, and various user departments in ensuring proper contract management.

b) Theory of Constraints

Ochieng (2014) theorised that the Theory of Constraints (TOC) is a philosophy of management and improvement originally developed by Eliyahu M. Goldratt and introduced in his book, The Goal. It is based on the fact that, like a chain with its weakest link, in any complex system at any point in time, there is most often only one aspect of that system that is limiting its ability to achieve more of its goal. For that system to attain any significant improvement that constraint must be identified and the whole system must be managed with it in mind. In borrowing this concept, procurement seek to identify the constraints in the contract management that emanates from poor contract administration and monitoring then work collectively to eliminate the constraint thus improving the achievement of the goals and objectives of the contract. The TOC Thinking Processes, taken as a whole, provides an integrated problem-solving methodology that addresses not only the construction of solutions, but also the need for communication and collaboration that successful implementation of supply chain functions requires. They have been used to create powerful generic, "starting-point" solutions for various supply chain inefficiencies, including: Long supplier lead-times, Incoming quality problems, Late or unreliable raw material or purchased part deliveries, Raw material shortages, Poor quality. In this connection then chances are if a constraint is identified at contract administration and monitoring then a solution will be found that will make the contract successful. The Theory will be useful in explaining the contract administration where proper contract planning and monitoring should be done in order to check any constraints.

c) Principal Agent Theory

Agency theory was exposited by Alchian and Demsetz (1972) and further developed by Jensen and Meckling (1976). The theory defines the relationship between the principals, such as shareholders and agents or company executives and managers. In this theory, shareholders who are the owners of the company, hire the agents to perform work. This theory relates to the independent variable on post contract appraisal where the Principals delegate the running of business to the managers, who are the shareholders' agents (Clarke, 2004). According to

ISSN 2307-6305 Page | 170 http://www.ijsse.org

Rungtusanatham et al., (2007), two parties have an agency relationship when they cooperate and engage in an association wherein one party delegates decisions or work to another to act on its behalf. The important assumptions underlying agency theory are that: potential goal conflicts exist between principals and agents; each party acts in its own self-interest; information asymmetry frequently exists between principals and agents; agents are more risk averse than the principals; and efficiency is the effectiveness criterion (Xingxing & Kaynak, 2012). The theory deals with situations in which the principal is in a position to induce the agent, to perform some task in the principal's interest, but not necessarily the agent's (Health & Norman, 2004).. Compliance with procurement rules and regulations that governs contract management may be as result of principal-agent problem (Langevoort, 2002). The Theory will be useful in explaining the post contract appraisal where reports and audits are taken and submitted to the principal who in this case is the government.

d) Contract Theory

In economics, contract theory studies how economic actors can and do construct contractual arrangements, generally in the presence of asymmetric information. Because of its connections with both agency and incentives, contract theory is often categorized within a field known as Law and economics. One prominent application of it is the design of optimal schemes of managerial compensation. (Laffont & Mrtimort, 2012). A standard practice in the microeconomics of contract theory is to represent the behaviour of a decision maker under certain numerical utility structures, and then apply an optimization algorithm to identify optimal decisions. Such a procedure has been used in the contract theory framework to several typical situations, labelled moral hazard, adverse selection and signalling. The spirit of these models lies in finding theoretical ways to motivate agents to take appropriate actions. The main results achieved through this family of models involve: mathematical properties of the utility structure of the principal and the agent, relaxation of assumptions, and variations of the time structure of the contract relationship, among others. It is customary to model people as maximizers of some utility functions, as stated by expected utility theory (Lysons, 2010) The crucial, but typically implicit, assumption in contract theory is that the incentive contract is costless enforceable and that the contractor can be held accountable for delivery of any contracted services, typically through the courts. In relation to the contract theory, contract closure is done when both the principal and agent are able to meet their goals and objectives.

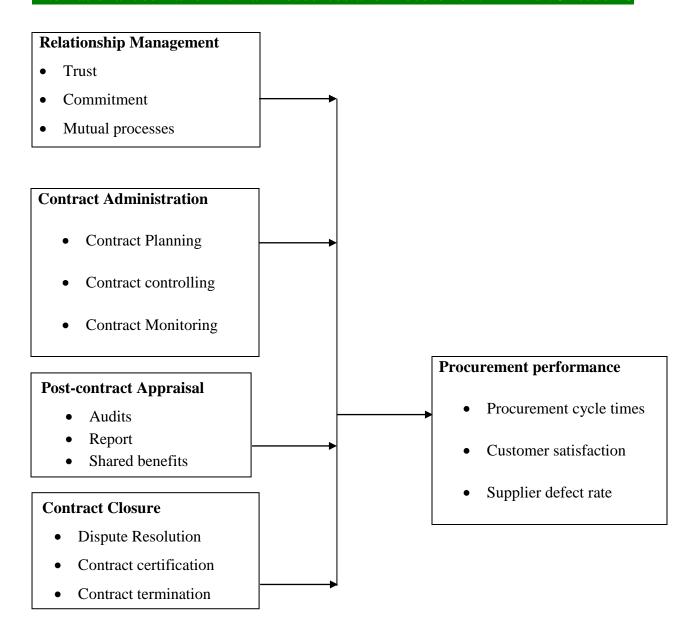
http://www.ijsse.org

e) Marxist Theory on Performance

Marxist definition of performance implies that an increase in the efficiency with which certain commodities are manufactured has an impact on the production of many other commodities, and might even encompass the whole of production system. The fundamental purpose of any organization is to consistently outperform the competition and deliver sustained, superior returns to the owners while satisfying other stakeholders. The measurement of how successful enterprises are at achieving this purpose has become a key element in modern public sector governance (Verbeeten & Bonns, 2009). Contract life cycle management is the process of systematically and efficiently managing contract creation, execution and analysis for maximizing operational and financial productivity and minimizing risk". With following the correct procedures in implementation and management of contract an institution will achieve the estimated productivity because as the Marxist theory suggests productivity is reciprocal to the value of commodity. It is worthwhile noting that contract management is successful if: the arrangements for service delivery continue to be satisfactory to both parties, and the expected business benefits and value for money are being realized, the expected business benefits and value for money are being achieved, the supplier is cooperative and responsive, the organization understands its obligations under the contract, there are no disputes, and efficiencies are being realized all these shows productivity is achieved.

Conceptual framework

A conceptual framework can be defined as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Reichel& Ramey, 2007). It is a research tool intended to assist a researcher develop awareness and understanding of the situation under scrutiny and communicate it. According to Goetz and LeCompte (2009), a conceptual framework increasingly strengthens and keeps the research study on track. The conceptual frame work of the study included independent variables i.e. relationship management, contract administration, post contract appraisal, and contract closure) and the dependent variable i.e. procurement performance. Independent variables are the factors that the researcher think explains the variation i.e. causes. Dependent variable is the outcome, it is the variable the researcher attempts to predict (Orodho&Kombo, 2002)



Independent Variables

Dependent Variable

Figure 1. Conceptual Framework

a) Relationship Management

Another externally oriented activity mentioned in the strategy documents is developing relationships with selected suppliers and consequently increasing efficiency in the mutual processes and thereby decreasing the suppliers' costs (NCC, 2013; Peab, 2012). By selecting suppliers with whom to sign long-term agreements ranging over a series of projects and by e.g. implementing e-procurement portals, the contractors seek to facilitate ordering and to increase the standardisation of the suppliers' available product ranges (NCC, 2013; Peab, 2012). Another aim is to mutually develop the selected suppliers' efficiency. An internally focused activity which has been formulated in the strategy documents is coordinating

http://www.ijsse.org Page | 173 purchasing within the contractor organisations (NCC, 2013; Peab, 2012; Skanska, 2012). This can be achieved be intensifying agreement compliance concerning long-term agreements (Peab, 2012).

This indicates that construction companies experience challenges in implementing s purchasing and in coordinating processes and practices between purchasing department and projects. Hansson and Longva (2014) argue that this refers to the actions and initiatives of the contracting company to create and maintain a positive relationship with the contractor. This depends on the mutual trust, understanding, regular communication and timely management of possible problems in the contract. There has been an increasing focus on the changes that have occurred during the last decades in the relationships between buyers and suppliers.

In an era of increasing global competition there is a growing interest in managing long-term buyer-supplier relationships as the management of these relationships has benefits for both parties. The buyer can strengthen his international competitiveness and secure the access to external resources that the company needs. The supplier can reach higher profits by maintaining long-term relationships (Kalwaniand Narayandas, 1995). Generally, buyers and suppliers stress the importance of close relationships, where it is possible to achieve benefits in the form of lowered costs or improved profits (Ford, 1984).

b) Contract Administration

This procedure involves maintaining an updated form of the contract; controlling and managing contract variations; paying the contractor; managing assets; drafting reports; and terminating the contract (Hansson& Longva, 2014; Piga & Treumer, 2013).Contract administration starts with developing clear, concise performance based statements of work. The statement of work should be the roadmap for contract administration. Therefore, planning for contract administration occurs prior to issuance of the solicitation.

The goal of contract administration is to ensure the contract is satisfactorily performed and the responsibilities of both parties are properly discharged. Effective contract administration minimizes or eliminates problems and potential claims and disputes. A key factor in successful contract administration is communication. It is essential for contract administrators to understand the provisions of the purchase document, have the ability to communicate

http://www.ijsse.org Page | 174 contract obligations to all parties involved, and maintain control over the contract performance.

A good contract manager ensures that the contract requirements are satisfied, that the goods and services are delivered in a timely manner, and that the financial interests of the agency are protected. Contract managers must have sufficient knowledge of contracting principles as it relates to their responsibilities in administering the contract. It is the contractor's responsibility to perform and meet the requirements of the contract. To do so, contractors sometimes need technical direction and approval from agency personnel. Agency personnel must provide this technical direction and approval in a timely and effective manner. All guidance provided to a contractor must be within the scope of the contract (Texas, 2013).

Monitoring focuses on collecting and analysing information to provide assurance to the acquiring entity that progress is being made in line with agreed timeframes and towards providing the contract deliverables. Monitoring can be undertaken directly by the acquiring entity or through a third party arrangement. Monitoring the performance of suppliers is a key aspect of P&SM and one that requires a range of skills, in particular relationship management. It is the responsibility of the P&SM professional to negotiate and agree appropriate performance criteria at the time the contract is let and these measures, together with a commitment to continual improvement should be clear to all concerned. The level and frequency of performance monitoring is dependent on the value and criticality of the contract to the buying organisation; it need not be the P&SM professionals that carry out this function or indeed the wider role of contract management, however the function should always be supported by the P&SM team (CIPS 2013).

c) Post Contract Appraisal

Given the multitude of supplements, the establishment of an appropriate operational unit for post-contract management is essential in order to minimise open claims, conflict potential and related handling time by means of process optimisation. Performance review is a comparison of the performance of the goods, works, materials and services against the quoted, specified and agreed criteria. As has already been pointed out, measurement is a vital part of the contracting process, yet it is sometimes forgotten once a contract has been completed and contracting authorities have moved on to another project. With a large procurement, a post contract review is always an appropriate tool (Abeeden, 2011)

http://www.ijsse.org ISSN 2307-6305 Page | 175 Continuous improvement involves looking at the procurement process and the goods, works, materials and services bought, and identifying areas for improvement which can be applied when making future procurements. The purpose of a post contract review is to assess whether the procurement has delivered the benefits for which it was first conceived. It is also an opportunity to record lessons learned, to capitalise on best practices, and to record the performance of the economic operator and of the whole project management team for future reference when another similar project may be undertaken. (PPB, 2011)

d) Contract Closure

A contract is closed upon reaching the end of the contract, or when a contract is terminated before the work is completed usually by the buyer if the work is no longer required, or if the work performed is not acceptable due to quality or other reasons. The contractor may still need to be compensated for the work completed, as governed by the clauses in the contract. The final activity of contract management is contract closure. This entails the control and certification practices that both contracting parties have honoured their contractual responsibilities as well as activities involved in evaluating degree of successful contract execution and achievement of expected results (Chong, Balamuralithara & Chong, 2011). Contract closure happens when all contractual terms and obligations have been honoured (Cropper, 2008). A contract is completed when all goods or services have been received and accepted; all reports have been delivered and accepted; all administrative actions have been accomplished; all agency furnished equipment and material have been returned; and final payment has been made to the contractor. To initiate the close-out process, the agency should first determine that the contractor has satisfactorily performed all required contractual obligation.

e) Procurement Performance

Costello (2008) argues that suppliers get motivated to do business with firms that have effective contract units where activities are straightforward, needs and deadlines met, and costs are well managed; hence enhanced operational performance. As well, Nysten-Haarala, Lee and Lehto (2010) sought to establish the effective incorporation of flexibility in contracting process. They found out that flexibility is important in contract management; thus improved operational performance. The effect of good contract management practice on operational performance can be measured successfully using suitable operational KPIs. Depending on the nature of the business, operational measures vary across firms and industries (Jusoh & Parnell, 2008). As George (2005) notes, in such a competitive corporate world, organizations strive to establish performance measurement metrics to gauge against their targets and business rivals. Some of the key indicators of procurement performance used include: efficiency, quality, flexibility, supplier relationship, supplier defects rates and procurement cycle time (Cho & Pucick, 2005).

With reference to Erridge, Fee and McIlroy (2001), in a procurement department where contract management practices take place, a number of operational performance measures are essential. Firstly, supplier defect rate is a key operational performance indicator used to measure the quality of purchases carried out by a procurement department. This can be achieved by dividing the number of defects by the total purchases, or defective shipments by total shipments. Operational performance can also be measured by use of customer satisfaction indicator. Internal customers' rating on their satisfaction levels with the department's performance is essential in achieving this. If many firms use similar questions, benchmarking levels of satisfaction is achievable. Customer satisfaction helps in measuring the department's capacity to meet the needs and expectations of internal customers (Ray, 2011).

Research Gaps

Ruchiu (2008) argues that despite the fact that contracts are made in good spirit, many contracts are not supervised. Aman, Hamzah, Amiruddin and Maelah (2012) assert, contract management may also suffer from inadequate skilled resources Angeles and Nath (2007) reveal that contract managers often face this challenge due to unclear project scope, and unrealistic timeline and budgets. Rendon (2010) further outlines critical success factors for both project and contract management as being qualified workforce, clear processes, relationships, resources, leadership and policies all of which have an direct impact on an organization's project management and contract management processes as well as resulting outcomes. Greve (2008) points out; organizations that achieve success in contract management ensure that they formulate a 'winwin' situation for both the contracting authority and contractor.

Studies relating to contract management have been done but a few deals with impact on procurement performance. Gupta, Karayil and Rajendran (2008) reveal that poor contract management causes substantial loss of savings.

http://www.ijsse.org Page | 177 The above mentioned studies focused on private and non-governmental organizations and some were conducted in different business environment outside Kenya; hence inappropriate to apply their findings and conclusions on the Kenyan context. Further, state corporations do not necessarily focus on profits; instead they aim at effective service delivery to the citizens. Therefore, a clear link between the two variables (contract management and procurement performance) is necessary. It was for this reason that the study proposed to explore the effect of contract management on procurement performance in public universities within Nairobi County. In addition, PPOA recommends more studies on sound contract administration practices in order to boost the performance of the procurement system in Kenya. Nonetheless, the type of performance measured in the study is unclear (PPOA, 2007)

Study Methodology

The study adopted a descriptive study design to justify the relationship between the independent and dependent variables. The target population was institutions of higher learning within Nairobi County. The respondents were 152 contract managers working within the institutions of higher learning within Nairobi County, this target population was considered appropriate for this study due to homogeneity of the cadres of procurement professionals and this gave a true representation of the population. Questionnaires were used to collect required data for this study; the questionnaires used for the study comprised of open and close ended questions. Multiple regression model was used to show the relationship between the dependent variable and the independent variables.

The regression model is as below.

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

Where

Y= Procurement performance of institutions of higher learning in Nairobi county

 β o=Constant, X_1 = Relationship Management, X_2 = Contract Administration, X_3 = Post Contract Appraisal, X_4 = Contract Closure; $\beta 1$, $\beta 2$, $\beta 3$, $\beta 4$ = Regression co-efficient

 $\varepsilon = Error$

Findings of the Study

The study sought to examine the respondent's percentage measurement of procurement function in relation to contract management within their institution over a period of four years with the variable concerning contract closure and performance of procurement function within the organization.

a) Customer Satisfaction

The study finding indicates that majority of the respondents are indifferent about customer satisfaction, it is clear that in the years, and contract success rates are fluctuating and improving which shows a positive improvement, That is, in the year 2011, (22%) of the contracts were successful, in the year 2012, 27% of contracts were successful, in 2013, 35% of the contracts were successful and in the year 2015, there was an impressive improvement on the number of successful contracts (50%).

Complaints received due to failed contracts decreased as the years progressed, in 2011 22% of complaints were received, 2012 (28%), 2013 (27%) and 2015 had the least complaints of (9%), this implies that there was improvement in contract delivery as the years progressed.

The year 2015 had the highest rates (74%) of customer satisfaction due to contract management while the year 2011 had the least rate (36%) of customers satisfied due to contract management. This implies that rate of successful contracts fluctuates depending on the factors affecting the performance of both the suppliers and buyers, a number of complaints are received in the procurement department annually in relation to failed contracts and customer satisfaction varies depending on performance of each contract and therefore contract management affects customer satisfaction in institutions of higher learning within Nairobi county. The findings concur with Gupta, Karayil and Rajendran (2008) who revealed that poor contract management causes substantial loss of savings and customer dissatisfaction.

http://www.ijsse.org

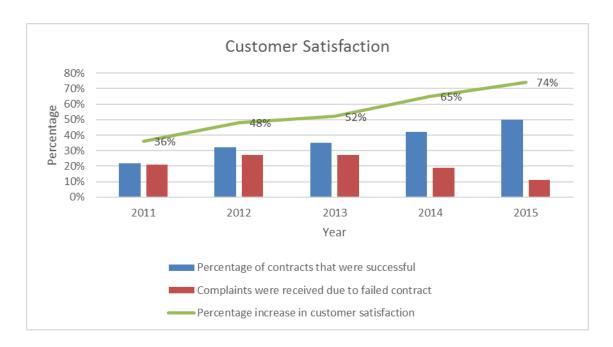


Figure 2; Customer Satisfaction

b). Supplier defect rates

The study found out that, 2011 had most rejects due to poor contract delivery 26% while in 2015, only 9% rejects had been experienced. In 2011, 22% of the suppliers defected during contract execution as compared to 12% in the year 2015.

Contract management has led to a reduction in supplier defect rates as shown in the table above, in 2011, contract management contributed to a 27% reduction in defect rates, in 2012, contract management contributed to a 28% reduction in supplier defect rate, in 2013 it led to a 22% defect rate, in 2014 contract management led to a 15% reduction in supplier defect rate while in 2015, there was a 9% reduction in supplier defect rate. From the findings, it is clear that contract management has been leading to a reduction in supplier defect rate. This findings agreed with Rotich (2012) that effective contract management improves supplier performance, in the aspect of compliance and meeting specifications in state corporations in Kenya.

http://www.ijsse.org ISSN 2307-6305 Page | 180

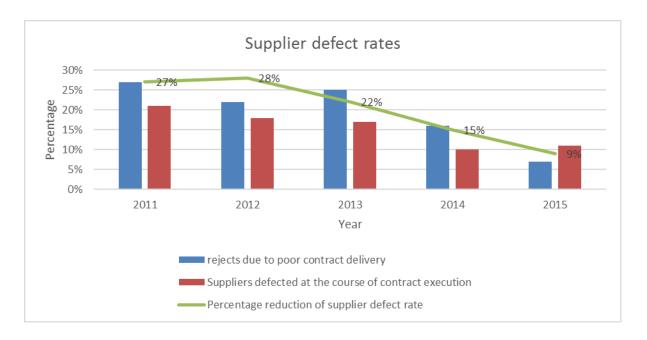


Figure 3. Supplier defect rates

c). Procurement Cycle Time

The study findings indicate that Contract delivery has been improving. The number of contracts delivered within thirty days after the request has been raised has improved as the years progressed. In 2015, 60% of contracts were executed within thirty days, in 2014 (55%), 2013 (35%) 2012 (20%) and 2011 had the least contracts executed within thirty days 10%. Contracts delivered also improved as the years progressed. In 2015, 61% of the contracts were delivered, in 2014, 40%, there was a slight difference in 2013, 34%, and 2012, 32% and in 2011 had the least delivered contracts at 15%. The respondents also indicated that percentage reduction of procurement cycle times has been increasing within the years, in 2015, the reduction of procurement cycle times was at its highest with 46%, in 2014 there was a 38% reduction in cycle time, 2013 there was a reduction of 27% while in 2012 it was 25% and 2011, there was a 12% reduction in procurement cycle time. This implies that contract management has reduced procurement cycle times as the years progressed. The findings agreed with kakwezi (2012) that Contract Management in public procurement has significant implications for service delivery, that is, with proper contract management procurement cycle time is reduced significantly.

http://www.ijsse.org

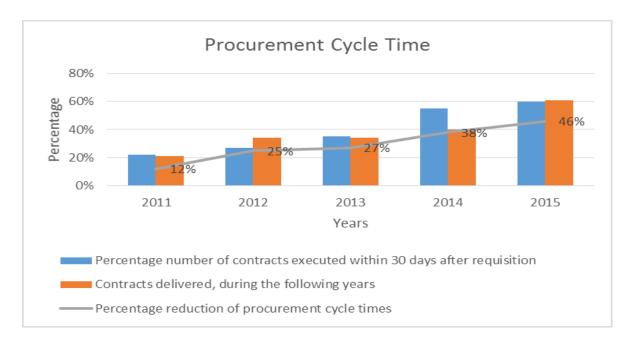


Figure 4. Procurement Cycle Time

Correlation Test

Multicollinearity is a measure of the existence of strong correlation between independent variables. The aim of the correlation test was to identify the association between contract management on procurement performance of institutions of higher learning within Nairobi County. Two independent variables are said to be correlated if their P-value is greater than 0.5 and as such one of the variables should be dropped from the model. As shown in table 4.11, none of the predictor variables had P-value> 0.5 thus multicollinearity and a four predictor variables model to forecast procurement performance of institutions of higher learning in Nairobi County.

http://www.ijsse.org ISSN 2307-6305 Page | 182

Table 1: Correlation Coefficients

	Relationship	Contract	Post co	ntractContract closure	Procurement
	management	administration	appraisal		performance
Relationship	1				
management					
Contract	0.522	1			
administration	0.322	1			
			1		
Post contrac	et 0.561	0.451			
appraisal					
Contract closure	e 0.611	0.394	0.412	1	
Procurement	0.713	0.632	0.613	0.526	1
performance					

^{*.} Correlation is significant at the 0.05 level (1-tailed).

The analysis above shows that relationship management has the strongest positive (Pearson correlation coefficient =.713; P value 0.000) influence on procurement performance. In addition, contract administration, post contractual appraisal and contract closure are positively correlated to procurement performance. The correlation matrix implies that the independent variables are very crucial determinants of procurement performance as shown by their strong and positive relationship with the dependent variable; organization performance.

Table: 2; Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the
				Estimate
1	.813 ^a	.660	.648	.13741

a. Predictors: (Constant), Relationship Management, Contract Administration, Post Contract Appraisal, Contract Closure

The R square value in this case is 0.660 which clearly suggests that there is a strong relationship between Relationship Management, Contract Administration, Post Contract Appraisal, Contract Closure and Procurement performance of higher learning institutions in

Page | 183 http://www.ijsse.org

Nairobi County. This indicates that Relationship Management, Contract Administration, Post Contract Appraisal, Contract Closure share a variation of 66 % of Procurement performance of higher learning institutions in Nairobi county.

Analysis Of Variance

Table 3; ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	3.926	4	.982	51.988	.000 ^b
1	Residual	2.020	107	.019		
	Total	5.947	111			

a. Dependent Variable: Procurement performance

b. Predictors: (Constant), Relationship Management, Contract Administration, Post Contract Appraisal, Contract Closure

Since the tabulated F(4,107) at α =0.05 is 2.45 which is less than F computed (51.988)hence there is a significant influence of the independent variables Relationship Management, Contract Administration, Post Contract Appraisal, Contract Closure.

Coefficients of the Regression Equation

Table no: 4; Coefficients

		Unstandardized		Standardized		
		Coefficien	ts	Coefficients		
			Std.			
Model		В	Error	Beta	t	Sig.
1	(Constant)	.159	.046		3.475	.001
	Relationship Management	.297	.040	.463	7.415	.000
	Post contract Appraisal	.288	.050	.381	3.899	.000
	Contract Closure	.135	.021	.335	6.294	.000
	Contract Administration	.295	.064	.429	4.503	.000

a. Dependent Variable: Procurement performance

A simple regression model was used in determining the level of influence the independent variables have on dependent variable as shown below:

$$Y = 0.159 + 0.297X_1 + 0.295X_2 + 0.288X_3 + 0.135X_4 + e$$

Where;

Y = Procurement Performance (Dependent Variable)

http://www.ijsse.org ISSN 2307-6305 Page | 184 β_0 = Constant Term

 $\beta_1, \beta_2, \beta_3, \beta_4 = \text{Beta coefficients}$

 X_1 = Relationship Management, X_2 = Contract Administration

= Post Contract Appraisal = Contract Closure X_3 X_4

 \mathbf{e} = Error Term

Relationship Management was found to have a positive significant influence on Procurement performance of higher learning institutions in Nairobi County (X1=0.297, p=0.000< 0.05). Shows that one unit change in Relationship Management results in 0.297 unit increase in procurement performance in institutions of higher learning in Nairobi County other factors held constant.

Contract Administration was found to have a positive significant influence on Procurement performance of higher learning institutions in Nairobi County. Shows that one unit change in Contract Administration (X2=0.295, p=0.000< 0.05) results in 0.295 unit increase in Procurement performance of higher learning institutions in Nairobi County.

Post Contract Appraisal was found to have a positive significant influence on Procurement performance in institutions of higher learning within Nairobi County. Shows that one unit change in Post Contract Appraisal (X3=0.288, p=0.000< 0.05) results in 0.288 unit increase in Procurement performance of higher learning institutions in Nairobi County.

Contract Closure was found to have a positive significant influence on Procurement performance of higher learning institutions in Nairobi County (X4=0.135, p=0.000< 0.05) Shows that one unit change in Contract Closure results in 0.135 unit increase in Procurement performance of higher learning institutions in Nairobi County.

The beta coefficients indicate the relative importance of each independent variable (Relationship Management, Contract Administration, Post Contract Appraisal, and Contract Closure) in influencing the dependent variable (Procurement performance in institutions of higher learning within Nairobi County).

Summary and Conclusion of Findings

From the findings it's clear that relationship management affect procurement performance, more specifically mutual processes between suppliers and buyers .Relationship management is strongly affected by mutual processes which in turns affect the procurement performance in terms of achieving their objectives especially on reduction of supplier defect rate. Contract administration affects procurement performance with more emphasis on contract planning

Page | 185 http://www.ijsse.org

and contract monitoring. It's clear from the findings that proper contract planning affects procurement performance and is important is reduction of procurement cycle times.

The study findings indicate that post contractual appraisal affects procurement performance. Contract audit, contract reports and shared benefits affect procurement performance with an equivalent magnitude.

The study concluded that all the four variables, relationship Management, contract administration, post contract appraisal and contract closure significantly and positively affect procurement performance. Relationship Management is the most important in Procurement performance of higher learning institutions in Nairobi County ($\beta eta = 0.463$) followed by

Contract administration ($\beta eta = 0.429$) then Post Contract Appraisal ($\beta eta = 0.381$) and the least is contract closure ($\beta eta = 0.335$)

The study further concludes that Proper contract management is essential in ensuring that all parties to the contract fully meet their respective obligations as efficiently and effectively as possible, delivering the business and operational outputs required from the contract and providing value for money, customer satisfaction and reducing procurement cycle time. It also protects the rights of the parties and ensures required performance when circumstances change. Post-contract activities lead to more efficient and effective management of the supplier base. This in turn can foster greater organisational competitiveness. The study found out that most institution does not engage in proper post contract activities; after delivery the contract is considered complete.

Recommendations of the study

The study recommends that institutions of higher learning should put in place post contract activities and mechanisms to ensure that future contracts are successful. Suppliers/contractors need to be evaluated based on their performance for future contracts and this would provide an environment for creating buyer-supplier relationships with mutual understanding towards a future beneficial outcomes.

Institutions of higher learning in Nairobi County need also a proper outline procedure for contract administration. The study found out that most of these institutions do not bother following up with the contractors to ensure that the contract is fulfilling its mandate. To them

http://www.ijsse.org Page | 186 once a contract is awarded then it is left as the contractors' obligation to ensure the contract is fulfilled. This practice needs urgent attention to save most contracts that are failing to mature within these institutions of higher learning.

The study also recommends that institutions of higher learning in Nairobi maintain the spirit of relationship management that was seen in most institutions to be of great importance. Just like relationship management attention need to be given to the other factors that enhance procurement performance.

45.5% of the respondents indicated that dispute resolution mechanisms reduces procurement cycle times while 54.5 indicated that it does increase procurement cycle time. Majority of the respondents indicated that the mechanisms for solving disputes increases procurement cycle time, it is to this effect that the study recommends that institutions of higher learning should review their dispute resolution mechanisms and put in place those that would be time efficient to avoid time wastage.

Areas for further research

Further research should include other institutions to ascertain the effects of contract management on procurement performance. Also contract management practices should be compared in different sectors such as private and public, non-profit making and profit making organizations among others to help institutions borrow/benchmark such practices to their own. This study focussed on the effects of contract management on procurement performance of institutions of higher learning, to this end further study should look at other factors and variables affecting procurement performance in institutions of higher learning

http://www.ijsse.org

REFERENCES

- Amin, A.K. (2012). Electronic procurement and organizational performance among commercial state corporations. University of Nairobi. Pp. 1-48.
- Ahmed, H (2015). The Role Of Buyer-Supplier Relationship On Organizational Performance: Perspective Of Beverage Industry. scholedge international journal of management & development. 2(5).2394-3378.
- Azeem, H.,Rashid,C,A.,& Halim, Z (2010). Effect of Information and Knowledge Sharing on Supply Chain Performance: A Survey Based Approach.3(2)
- Bassioni, H., Price, A. & Hassan, T. (2004). Performance Measurement in Construction. J. Manage. Eng., 20(2), 42-50.
- Bresnen, M. (1988). Insights on Site: Research into Construction Project Organisations. London: Routledge.
- Brensen, M., & Marshall, N. (2002). "Partnering in Construction: A critical Review of Issues, Problems and Dilemmas." Construction Management and Economics, 18, 229-237
- Cleland, D., &Bidanda, B. (2009)."The Future of Team Leadership in Complex Project Environments". Project Management Circa 2025. Pennsylvania: Project Management Institute. Inc
- Chong, H.Y., Balamuralithara, B. & Chong, S.C. (2011). Construction contract administration in Malaysia using DFD: a conceptual model. Industrial Management & Data Systems, 111(9), 1449 - 1464.
- Christopher L. Shook, G. L. A. a. D. J. K. J., Christopher W. Craighead (2009). "Towards a "theoretical toolbox" for strategic sourcing." Supply Chain Management: An international Journal,
- Costello, A. (2008). Getting results: the six disciplines for performance-based project management. New York, NY: Riverwoods.

http://www.ijsse.org ISSN 2307-6305

- Cropper, S. (2008). *The Oxford Handbook of Inter-Organizational Relations*. Oxford New York:Oxford University Press.
- Cooper, W.R.; Farank, L.G.; & Kemp, A.R. (2000). A Multinational Comparison of Key Ethical Challenges Helps and Challenges in the Purchasing and Supply Management Profession: The Key Implications for Business and Professions, *Journal of Business Ethics*, 23, pp 83-100
- Dahwal, M.P., L.Al-hakim ., & NG, E (2013). The Importance of Trust in Procurement Practices and Their Impact on Business Performance: An Empirical Investigation from the Perspective of the Buyer-Supplier Dyad. Journal of Relationship Marketing, 12 (4). pp. 280-300. ISSN 1533-2667
- David, R. J. and S.-K.Han (2004). "A systematic assessment of the empirical support for transaction cost economics." *Strategic Management Journa.l*
- Enquist, B., Johnson, M. & Camén, C. (2005). Contractual governance for sustainable service. *Qualitative Research in Accounting & Management*, 2(1), 29 53.
- Erridge, A., Fee, R. & McIlroy, J. (2001). *Best practice Procurement: Public and Private Sector Perspectives*. International Purchasing and Supply Education Research Association. Conference. Aldershot, Hampshire, England; Burlington, VT: Gower
- Fink, R. C., Edelman, L. F., Hatten, K. J., & James, W. L. (2006). "Transaction cost economics, resource dependence theory, and customer–supplier relationships."industrial and Corporate Change
- George, G. (2005). Slack resources and the performance of privately held firms. *Academy of Management Journal*, 48(4), 661-676.
- Gupta, R., Karayil, A. & Rajendran, R. (2008). Contract Lifecycle Management *The DNA of Procurement*. Building Tomorrow's Enterprise. Infosys.
- Hannan,S.,Surhado,B., & Nurmalinaa, R (2014). Effect of Customer Satisfaction, Trust, Information Sharing, Switching Barrier and Relationship Bond on Customer Loyalty of Professional Services Company: Empirical Study on Independent Surveyor Services Industry in Indonesia. *Handbook on the Emerging Trends in Scientific Research*. Handbook on the Emerging Trends in Scientific Research.

- Holt, R. & Graves, A. (2001). Benchmarking UK Government Procurement Performance in Construction Projects. *Measuring Business Excellence*, *5*(4), 13-21.
- Jones, K. & Kaluarachchi, Y. (2007). Operational factors affecting strategic partnering in UK social housing. *Engineering, Construction and Architectural Management*, 14(4),334-345.
- Jusoh, R., & Parnell, J. A. (2008). Competitive strategy and performance measurement in the Malaysian context: An exploratory study. *Management Decision*, 46(1), 5-31.
- Kabega, C., Kule, W, J., & Mbera, Z (2016). Effect Of Procurement Practices On Performance Of Public Projects In Rwanda A Case Study Of Bugesera District Office Construction Project. *International Journal of Economics, Commerce and Management.* 5(5).
- Kakwezi, P. (2012) .Procurement contract management in public procurement and disposal entities. *research journal of economics*, 2(1).
- Kibogo, A.D. & Mwangangi, M. (2014). Factors Affecting Contract Management in Public Procurement Sector in Kenya: A Case of Kenya Literature Bureau. *European Journal of Business Management*, 1 (11), 377-384.
- Kothari, C. R. (2009). *Research methodology*: Methods and Techniques. 2 Ed, New Age International.
- Korir,L(2015). effect of buyer-supplier relationships on procurement performance: Evidence in Kenyan Supermarkets. *European Scientific Journal*, Vol (1).
- Lazar, F., (2000). Project Partnering: Improving the Likelihood of Win/Win Outcomes.

 **Journal of Management in Engineering, 16(2), 71-83.
- Mohammed, A. S., (2008). The impact of performance contracting on operational performance in the banking Industry: a case of multinational banks in Kenya. University of Nairobi.
- Mugenda, O. & Mugenda, A., (2003). *Reaserch Methods; Quantitative and Qualitative*. Nairobi: Oxford University Press.
- Nystén -Haarala, S., Lee, N. & Lehto, J., (2010). Flexibility in contract terms and contracting processes. *International Journal of Managing Projects in Business*, *3*(3), 462-478.

http://www.ijsse.org ISSN 2307-6305 Page | 190

- Osman, Z., &Sentosa, (2013). A Study of Mediating Effect of Trust on Customer Satisfaction and Customer Loyalty Relationship in Malaysian Rural Tourism (February 20, 2013). European Journal of Tourism Research 6(2), 192-206.
- Packendorff, J. (1995). "Inquiring into the Temporary Organization: New Directions for Project Management Research", *Scandinavian Journal of Management*, 11, 319-333
- Public Procurement Oversight Authority, PPOA. (2007) Assessment of the Procurement System in Kenya.
- Pryke, S. (2006). Projects as Networks of Relationships. (Eds.), The Management of Complex Projects: A relationship Approach, 213-235. Oxford: Blackwell
- Ray, R. (2011). Enterprise Resource Planning. New Delhi: TATA McGraw Hill Education.
- Rambo, C., Oyugi, L., & Tangus, C (2015). Effect of supplier relationship management practices on performance of manufacturing firms in Kisumu county, Kenya. III, (11). *International Journal of Economics, Commerce and Management.*
- Rendon, R. G. (2008). "Procurement Process Maturity: Key to Performance Measurement." *Journal of Public Procurement*, 8 (2): 200-214.
- Rotich, J. (2014). Contract management practice and operational performance of state corporations in kenya
- Wang, S. & Bunn, M.D. (2004). Government/Business Relationships: Insights into Contract Implementation. *Journal of Public Procurement*, 4 (1), 84-115.

http://www.ijsse.org ISSN 2307-6305 Page | 191

QUESTIONNAIRE

SECTION A: BACKGROUND INFORMATION (*Please tick or write where applicable*)

1. Please in	ndicate your gender	•?
Male	()	
Female (()	
2. Level of	education and trai	ning attained
a)	Doctorate	()
b)	Master's Degree	()
c)]	Bachelor degree	()
d)]	Diploma	()
Any other (Spe	cify)	
3. Please in	ndicate the job cate	gory you are in
Account	ing Officers/Managi	ng Directors ()
Procurem	nent Professional	()
4. How lon	g have you been in	the organization?
1-5 years	()	
6-10 years	()	
10-15 years	s ()	
Above 15 y	years ()	

SECTION B: VARIABLES

PART 1: RELATIONSHIP MANAGEMENT

- 5. How does trust between the suppliers and buyers affect procurement cycle times in your organization. (Please tick or write where applicable)
- a) Shorter delivery time
- b) Less inspection time
- c) Longer credit period

Any other
6. What is the effect of trust between buyers and suppliers on customer satisfaction
a) Delivery of right quantity
b) Less defective items
c) Reduced returns
Any other
7. How does trust between the suppliers and buyers affect supplier defect rate in your
organization
a) High Commitment
b) Less inspection time
c) Longer credit period
Any other
8. How does commitment from suppliers affect procurement cycle times in your organization?
a) Prompt delivery
b) Less idle capacity
c) Less inspection time
Any other
9. How does commitment from suppliers affect customer satisfaction in your organization
a) Enhanced customer service
b) Discounted prices
c) Superior quality items
10. How does commitment between the suppliers and buyers affect supplier defect rate in
your organization
a) Less returns
b) Longer mutually beneficial relationships
c) Amicable dispute resolutions
Any other

11. How do mutual activities between the suppliers and buyers affect procurement cycle
times in your organization. (Please tick or write where applicable)
a) Faster decision making
b) Prompt delivery
c) Longer credit period
Any other
12. What is the effect of mutual processes between buyers and suppliers on custome
satisfaction
a) Improved customization
b) Flexibility to respond to customer needs
c) Opportunity to return salvage items
Any other
13. How does mutual processes between the suppliers and buyers affect supplier defect
rate in your organization
a) Less defects
b) Less inspection time
c) Longer credit period
Any other
To what extent do you agree with the following statements concerning relationship

14 management and performance of procurement function within your organization? Where SA=Strongly Agree, A=Agree, UD= undecided, D= Disagree, SD= Strongly Disagree

(Tick the appropriate alternative of fill accordingly)

RELATIONSHIP MANAGEMENT	SA	A	U.D	D	SD
Trust affect procurement cycle time in the					
organization					
Commitment affect customer satisfaction in					

http://www.ijsse.org

the organization			
Commitment affects supplier defect rate			
Mutual processes affect defect rate			

PART 2: CONTRACT ADMNISTRATION

15) To what extent do you agree with the following statements concerning contract administration and performance of procurement function within your organization? Where SA=Strongly Agree, A=Agree, UD= undecided, D= Disagree, SD= Strongly Disagree

(Tick the appropriate alternative of fill accordingly)

CONTRACT ADMNISTRATION	SA	A	U.D	D	SD
Contract planning affect procurement cycle					
time in the organization					
Contract monitoring affect customer					
satisfaction in the organization					
Contract planning affects supplier defect					
rate					
Contract control affects procurement cycle					
time					

PART 3: POST CONTRACT APPRAISAL

16) Hov	v does	contract	audits	affect	procurement	cycl	e times	in yo	our org	anization
----	-------	--------	----------	--------	--------	-------------	------	---------	-------	---------	-----------

- a) Adherence to policies hence shorter cycle times
- **b**) Transparency hence less inspection time

Any other	
-----------	--

- 17) What is the effect of contract audits on customer satisfaction in your organization
 - a) Delivery of the right quality
 - b) Improved customer service
 - c) Delivery of right quantity

Any other.....

http://www.ijsse.org ISSN 2307-6305 Page | 195

	1'. CC					
PO	OST CONTRACT APPRAISAL	SA	A	U.D	D	SD
(Tick the a	appropriate alternative of fill accordingly)					
	gly Agree, A=Agree, UD= undecided,	D= Dis	sagree,	SD= Str	ongly D	isagree
	and performance of procurement function		•	Ü		
ŕ	hat extent do you agree with the followi	Ū			0 1	
·						••••
Any other						
c)	Longer credit period					
b) l	Less inspection time					
,						
a)]	Less defects					
your	organization					
20) How	does shared benefits between the suppliers	and bu	yers affo	ect suppli	ier defect	rate in
Any o	ther					
b)	Showing Value for money					
a)	Delivering feedback hence improved custo	mer sat	isfaction	1		
19) What	is the effect of contract report on customer	satisfac	ction in	your orga	nization	
Any other	-	• • • • • • • •	•••••			••
	-					
	Performance improvement thus reduced de					
,	Compliance to specifications hence low de					
10) W Hat	is the effect of post contract audits on supp	mer der	eci raie.			

POST CONTRACT APPRAISAL	SA	A	U.D	D	SD
Contract audits affect procurement cycle					
time in the organization					
Contract reports affect customer satisfaction					
in the organization					
Contract reports affects supplier defect rate					
Shared benefits affect supplier defect rate					

http://www.ijsse.org Page | 196

PART 4: CONTRACT CLOSURE

- 22) How does contract termination affect procurement cycle times in your organization
 - a) Shorter delivery time
 - b) Less inspection time
 - c) Longer credit period

y other

23) To what extent do you agree with the following statements concerning contract closure and performance of procurement function within your organization? Where SA=Strongly Agree, A=Agree, UD= undecided, D= Disagree, SD= Strongly Disagree (Tick the appropriate alternative of fill accordingly)

CONTRACT CLOSURE	SA	A	U.D	D	SD
Dispute resolution affect procurement cycle					
time in the organization					
Contract termination affect customer					
satisfaction in the organization					
Dispute resolution affects supplier defect					
rate					
Contract certification affect customer					
satisfaction					

PART 5: PROCUREMENT PERFORMANCE

24). With what percentage can you measure performance of procurement function in relation to contract management within your organization over a period of the last four years?

a) Procurement cycle times

PARTICULARS	2011	2012	2013	2014	2015
Approximately, how many contracts were					
executed within thirty days after requisition.					
How many contracts were delivered,					
during the following years.					

http://www.ijsse.org ISSN 2307-6305

Contract management contributed	o a
reduction of procurement cycle times	py
What percentage, in the following year	:.

b) Customer satisfaction

PARTICULARS	2011	2012	2013	2014	2015
How many contracts were successful in					
the following years.					
How many complaints were received, due					
to fail contract					
Contract management contributed to an					
increase of customer satisfaction by what					
percentage in the following years.					

c) Supplier defect rate

PARTICULARS	2011	2012	2013	2014	2015
How many rejects, happen due to poor					
contract delivery					
How many suppliers defected at the course					
of contract execution					
Contract management contributed to a					
reduction of supplier defect rate by what					
percentage in the following years.					

INSTITUTIONS OF HIGHER LEARNING IN KENYA

	INSTITUTION	LOCATION	ТҮРЕ
1.	Africa International University	Africa International	Private
		University	University
2.	Africa Nazarene University	Nairobi Campus	Private
			University
3.	African Institute of Research and	Nairobi City Campus	College
	Development Studies		
4.	Air Travel and Related Studies Centre	CBD	College
5.	Australian Studies Institute	Nairobi	College
6.	Computer Pride Training Centre	CBD	College
7.	Cooperative University College of Kenya	Town campus in	Public
		Nairobi's CBD	University
8.	Daystar University	Nairobi Campus	Private
			University
9.	Dedan Kimathi University of Technology	Nairobi Campus	Public
			University
10	East Africa School of Management	City Campus	College
11	East Africa School of Theology	Main Campus - Buruburu	Private
			University
12	East African School of Aviation	Embakasi	College
13	Egerton University	Nairobi City Campus	Public
			University
14	Graffins College	Moi Avenue Campus	College
15	Great Lakes University of Kisumu	Nairobi Campus	Private
			University
16	Hekima University College	Hekima University	College
		College	
17	Highlands State College	Nairobi CBD Campus	College
18	Institute of Advanced Technology	Buruburu Centre	College
19	Institute of Advanced Technology	Hurlingham Centre	College
20	International Hotel and Tourism Institute	Kileleshwa	College

Page | 199 http://www.ijsse.org ISSN 2307-6305

21	Intraglobal Training Institute	Nairobi Campus	College
22	Jodan College of Technology	Nairobi City Campus	College
23	Jomo Kenyatta University of Agriculture	CBD Campus	Public
	and Technology		University
24	Kabarak Universit	Nairobi City	Private
			University
25	KAG East University	Main campus - Buru	Private
		Buru	University
26	KCA University	CBD Campus	Private
			University
27	Kenya Aeronautical College	Wilson Airport	College
28	Kenya Institute of Management	Main Campus	College
29	Kenya Institute of Professional Studies	Afya Centre Campus	College
30	Kenya Institute of Special Education	Nairobi	TVET
31	Kenya Medical Training College	Nairobi Campus	College
32	Kenya Methodist University	Nairobi Campus	Private
			University
33	Kenya School of Monetary Studies	Main Campus	TVET
34	Kenya School of Professional Counsellors	Nairobi	College
35	Kenya Technical Teachers College	Gigiri	College
36	Kenya Utalii College	Main Campus, Off Thika	College
		Road	
37	Kenyatta University	City Center Campus	Public
			University
38	Kiriri Women's Uiversity of Science And	Westlands Campus	Private
	Technology		University
39	Kisii University	Nairobi Campus	Public
			University
40	Laikipia University	Nairobi Campus	Public
			University
41	Maasai Mara University	Nairobi Campus	Public
			University
42	Masinde Muliro University of Science and	Nairobi Satellite Campus	Public

	Technology		University
43	Moi University	Nairobi Campus	Public
			University
44	Mount Kenya University	Nairobi Campus - MKU	Private
		Towers	University
45	Multimedia University of Kenya	Mbagathi Campus	Public
			University
46	Nairobi Aviation College	Odeon Cinema Branch	College
47	Nairobi Institute of Business Studies	Town Campus (Head	College
		Office)	
48	Nairobi Institute of Technology	Main Campus	College
49	Nairobi Technical Training Institute	Nairobi	TVET
50	Oshwal College	Parklands	College
51	Pan Africa Christian University	Main Campus -	Private
		Roysambu	University
52	Pan Africa Christian University	Town Campus	Private
			University
53	PC Kinyanjui Technical Training Institute	Riruta Satellite	TVET
54	Pioneer's Training Institute	Buru Buru Campus	TVET
55	Railway Training Institute	Main Campus - South B	TVET
56	Regina Pacis University College	Regina Pacis University	College
		College	
57	Regional Institute of Business	Nairobi	College
	Management		
58	Riara University	Main Campus	Private
			University
59	South Eastern Kenya University	Nairobi Town Campus	Public
			University
60	St. Paul's University	Nairobi Campus	Private
			University
61	Star College of Management Studies	Nairobi	College
62	Starnet College	Starnet College Nairobi	College
63	Strathmore University	Strathmore University	Private

			University
64	Summit Institute of Professionals	Town Campus	College
65	Technical University of Kenya	Main Campus	Public
			University
66	The Catholic University of Eastern Africa	Main Campus - Lang'ata	Private
			University
67	The East African University	Nairobi Campus	Private
			University
68	The Management University of Africa	The Management	Private
		University of Africa	University
69	The Presbyterian University of East	Nairobi Campus	Private
	Africa		University
70	The University of Nairobi	Chiromo Campus	Public
			University
71	United States International University	USIU	Private
			University
72	Unity College of Professional Studies	Buruburu Campus	TVET
73	Unity College of Professional Studies	Town Campus	TVET
74	University of Eastern Africa Baraton	Nairobi Extension Centre	Private
			University
75	Vision Institute of Professionals	Moi Avenue Campus	College
76	Zetech University	Westlands	Private
			University