

# The Influence of Procurement Practices on Contract Management County Governments: A Case of Trans Nzoia County

Joan Nangila Wafula<sup>1\*</sup> Dr. Elizabeth Nambuswa Makokha<sup>1,2</sup>

1.College of Human Resource Development, Department of Entrepreneurship and Procurement, Leadership and Management, Jomo Kenyatta University of Agriculture and Technology, P.O. Box 62000 - 00200, Nairobi Kenya

2.College of Human Resource Development, Department of Entrepreneurship and Procurement, Leadership and Management, Jomo Kenyatta University of Agriculture and Technology, P.O. Box 62000 - 00200, Nairobi Kenya

## Abstract

The purpose of the study was to analyse the effectiveness of contract management practices in Trans Nzoia County Government Kenya. This study was guided by the following objectives: identify the influence of information technology on effective contract management; The study was theorized by the Relation Theory and Principal- Agency theory. Literature is reviewed on the specific objectives of the study either directly or indirectly related to the study. Descriptive survey research design was used as the population comprised of all the contractors engaged with the County Government of Tran Nzoia and all the line mangers in the procurement department totalling to 2810 respondents. An appropriate sample of 290 was selected to represent the population in the study. Data was collected using survey method through use of structured questionnaires. The administration of the questionnaires was done through drop and pick. The process of data analysis involved several stages namely; data clean up and explanation. Data clean up involved editing, coding, and tabulation to detect any anomalies in the responses and assign specific numerical values to the responses for further analysis. Responses in the questionnaires was tabulated, coded and processed by use of a computer Statistical Package for Social Science (SPSS) version 22.0 programme to analyze the data. The collected data was analyzed using descriptive statistics. This included measures of central tendency such as the mean, median, mode and frequencies where applicable.

**Keywords:** Information Technology, Contract Management

## 1.1. Introduction

### 1.1.1. Global Perspectives in Contract Management

According to Arrowsmith, (2004) a contract is a written or oral legally-binding agreement between the parties identified in the agreement to fulfil the terms and conditions outlined in the agreement. Arrowsmith further argues that a prerequisite requirement for the enforcement of a contract, amongst other things, is the condition that the parties to the contract accept the terms of the claimed contract. Historically, this was most commonly achieved through signature or performance, but in many jurisdictions-especially with the advance of electronic commerce - the forms of acceptance have expanded to include various forms of electronic signature.

According to Bailey, (2008) contract management are the activities of a buyer during a contract period to ensure that all parties to the contract fulfil their contractual obligation. Contract life cycle management is the process of systematically and efficiently managing the contract creation, execution and analysis of maximizing operational and financial performance and minimizing risks (Elsej, 2007).

Projects are becoming main stream in all types of organizations (Pellegrinelli & Murray-Webster, 2011). For the past sixty years, organizations have increasingly been using projects and programs to achieve their strategic objectives (Morris & Jamieson, 2004), while dealing with increasing complexity, uncertainty, and ambiguity affecting organizations and the socio-economic environment within which they operate (Gareis, 2005). Through projects, resources and competencies are mobilized to bring about strategic change, and thereby create competitive advantage and other sources of value.

Until the mid-1980s, interest in project management was limited to engineering, construction, defence, and information technology. More recently interest has diversified into many other areas of management activity. Currently, more than twenty percent of global economic activity takes place as projects, and in some emerging economies it exceeds thirty percent (Anbari et al., 2008).

As Lowe (2013) points out, a contract is the foundation of the establishment and maintenance of a favourable relationship between the contractor and contracting authority. It also forms a basis for the acceptance of the project deliverables hence ensuring the achievement of value for money. If a contract fails to address the relevant issues required in the agreement, such as, word ambiguities, it becomes hard for the contracting company to base a positive working relationship with the contractor. In spite of that, certainly there are activities that the contracting company can carry out upon awarding a contract so as to boost the contractor's performance and subsequently the effectiveness during the contract implementation. The major procedures in contract

management involved in all kinds of contracts are discussed as follows: Contract management starts with contractor monitoring and acceptance management. This is vital in enabling the contracting organization to ascertain that the contractor is undertaking his duties and fulfilling his obligations in compliance with the contract. This also allows the contracting organization to pinpoint any issues or problems in advance that could arise and offer timely solutions. Particularly, the outline of contractor monitoring and acceptance management includes: monitoring, controlling, and evaluating the contractor's performance; evaluating the quantity and quality of services, works, or products delivered; and identifying and handling risks (Cropper, 2008).

Secondly, contract management involves managing the contractor relationship. 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. Thirdly, the practice includes 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).

Dispute resolution is the fourth activity involved in contract management. Camén, Gottfridsson and Rundh (2012) posit that this involves the procedures undertaken when selecting and applying the optimum way of resolving differences with the contractor. The final activity of contract management is contract closure. This entails the control and certification practices that both contracting parties have honored their contractual responsibilities as well as activities involved in evaluating degree of successful contract execution and achievement of expected results (Chong, Balamuralithara & Chong, 2011).

Cleland and 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 the confidence by which a bid is prepared is usually dependent on how much risk the contractor will incur through the contract. Certain types of contracts provide relief for the contractor since onerous risks exist (Kerzner, 2009). He further states that the size and experience of staff, urgency of completion, availability of qualified contractors, and other factors must be evaluated carefully during contract negotiations. The advantages and disadvantages of all basic contractual arrangements must be recognized to select the optimum arrangement for a particular project.

According to Project Management Institute (2013), all legal contractual relationships generally fall into one of two broad families: either fixed-price or cost reimbursable. There is a third hybrid type commonly in use called time and materials contract. The contract administrator is responsible for compliance by the contractor to the buyer's contractual terms and conditions and to make sure that the final product of the project meets requirements.

Project Management Institute (2013) further states that under fixed-price arrangement, buyers need to precisely specify the product or service being procured since changes in scope may only be accepted with an increase in contract price. Kerzner (2009) argues that although a contract administrator is a member of the project team for reporting purposes, the contractor administrator could report to a line function such as legal department and may even be an attorney. In later stages of the project, a contract administrator is responsible for verification that all the work performed and deliverables produced are acceptable to the buyer. Contractual closure is then followed up with administrative project closure of the project or phase.

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. 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 use of 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.

### **1.1.2. Regional Perspectives**

According to Agaba and Shipman (2007) in their paper "Public Procurement Reform in Developing Countries: The Uganda Experience," "the prevalence of corruption in public procurement system in Uganda hinders the ability to manage high-value projects, where there are huge potential profits and consequently much greater scope for bribery. There have been several cases in Uganda where large projects have collapsed on account of failures in the procurement system. The US\$ 550 Million Bujagali Dam hydro-electric project collapsed in 2002 when the world Bank suspended funding after a former energy minister admitted to having accepted a US\$10,000 bribe from a construction company that had been awarded the contract without going through a fully-competitive bidding process (Prayas Energy Group, 2002).

In June 2011, the World Bank Institute (WBI) organized a contract monitoring action planning workshop for East and Southern Africa from 31 May to 3 June 2011 in Kampala, Uganda. One of the objective of this workshop was to build a common understanding of the current reality of contract monitoring in the region given the fact that the World Bank's new Africa Regional Strategy places social accountability in a central focus and specifically mentions contract watch as one of the key accountability tools. The workshop was attended by close to 70 participants from the private sector, civil society and government drawn from Kenya, Uganda, Tanzania, Rwanda and Zambia. Each country had its own priority sectors represented at the meeting, notably construction and extractive industries. Cognizant of the variance in country contexts, country group discussions were held and identified the five most challenging issues associated with contract management and monitoring in each country. We assume that the opinions were enlisted freely and openly without prejudice (World Bank Institute (2011).

Public sector procurement is one of the significant sectors in Tanzania which has a large impact in the country's economic development. The underlying objective is to obtain value for money to the government procurement by ensuring that public funds are spent in a transparent, efficient and fair manner as in accordance to the PPA 2004; especially taking into consideration that as for now much of government procurement expenditure goes to procurement of works such as construction of roads, wells, highways, bridges, office buildings, schools, hospitals and health centres, energy projects, etc. To obtain value for money in works contracts, with other things, is subject to effective post-award contract management. Therefore, efficiently and effectively managed, properly planned and executed procurement contracts are essential. Thus, contract management is always a need in many countries, especially developing ones with many developmental agenda yet to be executed (Mlinga, 2007). Contract implementation is the most challenging part of procurement contract management in all countries. Many countries have faced problems which hinder effective implementation of their procurement contracts. Policies have failed to produce intended outcomes due to problems encountered at implementation phase. Studies on public policy reveal implementation problems that range from ad-hoc and inadequate preparations and lack of support from implementing agencies particularly at grass-root levels (Zahara, 2004)

The goal of public procurement is to provide the required goods, services and works to the public (Errigde and McIlroy, 2002). This ought to be complimented by effective contract management in public procurement. However, existing experiences and literature alludes to several challenges in contract management. Indeed, Ntayi (2009) observes that millions of dollars get wasted in Uganda due to inefficient and ineffective obstacles and challenges in the procurement process of which contract management is a part. Although the author does not give the actual numerical figure of the millions lost, the recent estimates by various agencies on corruption emanating from the public procurement function points to the monetary loss from this activity. Meanwhile contract management continues to receive less attention from policy makers and academics. The Common Market for East and Southern Africa (1) guidelines observes that neither the COMESA Procurement Directive, nor the UNCITRAL Model Law, specifically address the subject of contract management. Despite the importance of contract management researchers are unable to empirically and systematically pinpoint the determinants and constraints by using objective 'hard data' (Jiang & Qureshi, 2006). In several countries, few articles have rigorously analyzed and empirically tested the factors that actually affect a government agency's decision to manage contracts.

In Uganda, little empirical evidence does exist on the determinants and constraints to effective contract management based on practitioners' view point despite the increasing drive towards the demand for money. Conceptually, contract management has become a megatrend in many public entities especially as result of social accountability and increased demand of service delivery by citizens (World Bank Institute, 2011; Schiel, 2007; Swinnery and Netssins, 2007; Odhiambo and Kamau, 2003; Andrews, 2003; Witting; 1999). However, Dew (2008); Thai (2005) and Bolton (2006) observe that contract management challenges in both public and private organisations are endemic in any contractual relationship due to lack of transparency and poor record keeping. Successful contract management and completion is often defined, as procurement of the right item, in the right quantity, for the right price, at the right time, with the right quality, from the right source (Thai, 2004). Prager (1994) contends that proper and effective management and monitoring of contracts helps improve the quality of goods and services and reduces procurement cost thus achieving three broad goals: quality products and services, timely delivery of products and services, and cost effectiveness (within budget).

The public procurement regulatory framework dictates that contracts must be drawn carefully involving all stakeholders for completeness to avoid as unnecessary deviations. Therefore, key responsibility centres, as they relate to different procurement processes must be established. Minahan (2007) observes that it is possible to design contracts that are robust enough to profitably continue operations in the face of expected deviations and unexpected disruptions and quickly recover from disasters. The foundation is a strong, stable supply network forged from good supply base management, strong supplier links, and continuous improvement and a corporate culture that embraces change and flexibility.

### 1.1.3. Local Perspectives

It is difficult to estimate the volumes and values of procured goods. It is understood that the Government of Kenya (GOK) procured about Ksh. 300 billion worth of goods and services in the 2006 financial year. Kenya spends between 10 percent – 30 percent of GDP on procurement alone (Maria, 2013). Out of that 5% goes to waste due to lack of proper management of the contracts (Gordon, 2009). The public sector is engaging and procuring from small and medium sized enterprises and is receiving the sought-after goods, works and services (GOK, 2001).

According to CRA (2013), in the 2013/2014 financial year a total of 210 billion Kenya shillings was disbursed to the counties government to facilitate their operations. According to the e-government strategy paper (2004), e-procurement was one of the medium term objectives which was to be implemented by June 2007, but the process has been very slow and it's not until august 2014 during the launch of the IFMIS Electronic Procurement system that the president directed that all public procuring entities adopted e-procurement.

In this dynamic and competitive business environment, Kenya is among the world nations striving to boost their economies. It is one of the developing countries in the world that consistently aim at being listed among developed countries, such as, the USA, Japan, China, Australia, and the UK. One way of realizing this is by ensuring effective and efficient service delivery to the citizens through its agencies. This explains the presence of numerous state corporations in Kenya. In a bid to meet its objectives, the government allocates funds to the state corporations annually, which is necessary in executing their respective roles and responsibilities to the citizens. Therefore, procurement is inevitable in every government organization and should be conducted in line with the regulations outlined in the Public Procurement and Disposal Act, 2005. The Act's main objectives include transparency and accountability, public confidence, enhanced economy and effectiveness, competition and fairness, and economic development and improved local industry (PPDA, 2005).

Currently, Kenya loses billions of taxpayers' money to improper procurement process, specifically poor contract management practices. This commonly happens in the country's state corporations due to issues, such as, corruption, litigations, contract cancellations and substandard service or product delivery. This calls for the pressing need to make appropriate policies and decisions to save the situation. Since the state requires to realize its value for money in the process of the serving its people, every state corporation is required to account for its expenses (Contract Monitoring Kenya Network, 2012).

In Kenya, reforms in public procurement were initiated through an Act of Parliament that established the Public Procurement and Disposal Act 2005 (PPDA (2005), hence the creation of the Public Procurement Oversight Authority (PPOA) in 2007. PPDA (2005) established procedures for efficient procurement and for disposal of unserviceable, obsolete or surplus stores, assets and equipment by public entities. It spelt out the main objectives of the Act, the procedures for tendering, general procurement rules, debarment procedures among others. A report by the Kenya Anticorruption Authority (year 2009-2011), showed that at least 80 percent of the cases it handled had a procurement element. Corruption in procurement increases the cost of doing business and also brings forth substandard goods, services and works hence inefficiencies. Research will seek to establish the role ICT can play to ensure there is value for money in procurement.

Therefore, contract management is a valuable step in public procurement as it ensures that service or products delivery is undertaken as per the contractual terms and conditions.

The study has unearthed the effect of effective contract management practice on operational performance of the state corporations in Kenya. Contract management practice comprise of all the activities involved in the draft, review, revision, and analysis of contracts, and the implementation of systems as well as the use of software.

According to (Gordon, 2009) contract management style (CMS) could turn out to be one of the most important new business applications of the first decade of the 21st Century. (Bartels, 2009) further confirms that information technology is increasingly being applied to contract negotiation, executions and management to standardize, streamline and ensure contract and regulatory compliances and extend best practices and strategies for contract management across the organization.

Studies done by Transparency international, (2009) evidenced that Kenya government has lost hundreds of millions of tax payer's money through cancelled contracts, unfinished projects, poor service or product delivery, corruptions and extended contract periods in the last eight years. Further, According to Maria (2013) the government of Kenya spends between 10 percent – 30 percent of Gross Domestic Product (GDP) on procurement alone. Gordon (2009) adds that out of that 5% goes to waste due to lack of proper management of the contracts. Despite all the above findings, little studies have been done in public contracting and more so in developing countries and more specifically the county governments in Kenya to empirically confirm the factors influencing contract management. This study therefore, seeks to fill the gap by empirically finding out the factors that influence the effectiveness of contract management a case of study of the county Government of Trans Nzoia Kenya.

## **2.0. Effect of Information Technology on Contract Management practices**

Information Technology (IT) is a general term that describes any technology that helps to produce, manipulate process, store, communicate, and/or disseminate information (William, 2005). As a need IT progressed along with socio-economic development in developing countries.

In a very short time IT became the back bone in modern industrial society and the major contributor to the progress of both developing and developed countries (Olalla, 2000). Technology is broadly defined as the pursuit of life by means other than life, and as organized inorganic matter, both material and immaterial, created by the application of mental and physical effort in order to achieve some value. In this usage, it refers to tools and machines that may be used to solve real-world problems (Zee, 2002).

Organizations strive to minimize costs and thereby improving on their returns. This is achieved through procurement by sourcing for the best goods and services from suppliers at the right price, quantity, quality and delivered at the right time (Baily, Jessop and Jones, 1994). Information and Communication Technology (ICT) has helped organizations to broaden their markets through the concept of globalization. Through globalization the division created by diversity in locations is bridged mainly through internet technologies. As a result, people world over are able to communicate irrespective of physical locations. This idea can be very critical in procurement since it would help organizations broaden their markets hence bring forth competition. Ombaka (2009) depict procurement as a multifaceted range of operational, business, ICT, safety, risk management and legal systems that serve to fulfill the needs of organizations.

The purchase of goods, services and works by public authorities from the private sector constitute public procurement. Owegi & Aligula (2006) defined public procurement as procurement by or on behalf of ministries, departments of central government, organs of local government and state corporations.

Many governments in the world now appreciate the important role played by ICT. The advent of internet technology has made it possible for governments to offer some key traditional processes online. By promoting information sharing; Maniam, Halimah and Hazman (2006) argue that the governments have been able to improve service delivery. In Kenya, for example, all government ministries have websites which contain very critical information which in the past could only be accessed by physically walking into the government offices and the process was not only tedious but also marred by corruption. Maniam et al. claim that some governments have moved to use ICT in an effort to streamline the procurement process within the public sector. The key processes could range from identification of requirements, through payments to contract management.

Access of information in a timely and reliable manner is very critical to suppliers who depend on the function of procurement. ICT ensures that this critical role is achieved and access to information is also ensured at a cost effective manner and access is devoid of geographical location and people can thus access information in whichever corner of the world they are in.

This provision further enhances competitive bidding thereby promoting the principles of procurement; accountability, transparency and integrity as advocated for by Transparency International. Novack and Simco (1991) emphasizes that for procurement process to be effective, the correct information must be collected and the main concern should be customer satisfaction. ICT provides for dynamism in operations and also allows customization to meet specific user needs and specifications. In procurement, ICT can play a critical role due to its ability to handle and analyze massive amount of data within a short period.

Information is very critical guide in decision making. However, it is the availability, speed of access, reliability, timeliness and accuracy of information that actually ensures that information aids in making informed decisions. Riley (2012) adds three important elements not mentioned by many others, they are ease of understanding, worth the cost and able to meet the needs of the users. Riley emphasizes that in order to achieve the above elements, objectives for which information is sought be defined in advance. Of importance also is to ensure use of current information systems and involvement of users in development of strategies. Finally, use of authoritative sources, a concept emphasized by academic research hence the need for quoting the source of information.

According to Calarco (2003), government procurement should strive to implement e-procurement systems. They facilitate transparency, accountability and access through an open system. Reduction of non-value added activities such as telephoning and postage are eliminated thereby making processes faster. Organizations those are able to reduce cost of doing business end up being more competitive and therefore grow faster than others. Morrison (2009) depicted three types of e-procurement: The first is, Enterprise Resource Planning (ERP) which facilitates the creation and approval of purchasing using web technologies. The second is e-tendering which conveys information on pricing to suppliers via the internet. Finally, e-sourcing whose primary role is to identify suppliers by using ICT.

Di Maio (2001) envisages use of ICT in public procurement in e-government. E-government transforms both internal and external relations of public administration through ICT. ICT in procurement aims at optimizing service delivery, increase involvement of citizens in governance and also building more capacity in governance. The Kenya government strategy paper March (2004) stipulated a medium term initiative, e-procurement, which

was envisaged to have been implemented by June 2007. The government through e-government aimed at enhancing efficiency and effectiveness in the delivery of services, promoting accountability by ensuring easier access to information and also allowing the citizens to participate in the delivery of services thus enhancing good governance, empowerment and transparency. All these could only be achieved through ICT.

A Ministerial Declaration which was unanimously approved in Manchester in November 2005 stated that the European Union member state agreed that they would embrace e-government by 2010. The benefits they sought were higher user satisfaction with public services, reduced administrative burden on citizens and efficiency through the use of ICT. To achieve the objectives of procurement which are transparency and accountability, the innovative use of ICT was to be considered.

Hawking et al. (2004) argue that traditionally, procurement processes have been very slow due to increased use of manual processes in the procurement system. The manual processes are further more prone to errors, slow, limited in terms of information sharing hence limiting competition.

This does not auger well in achieving the principles of procurement as outlined in the UN Practitioners Handbook (2006). According to Bailey et al. (2008), companies are very concerned on adopting effective means of ensuring information flow. Consequently, companies have continually searched for strategies that can improve their flexibility, responsiveness and thus their competitiveness. They have envisaged the use of Information Communication Technology (ICT) as a plus and the way forward towards success in the field of supply chain management.

Croom and Brandon (2004) emphasize the critical role played by ICT in the stages of procurement; searching, sourcing, negotiation, ordering, receipt, and post-purchase review. According to Kalakota & Robison (1999) ICT can be used in procurement in activities such as selecting suppliers, purchasing, negotiating, agreeing with terms, monitoring the supplier performance among others. This further ensures efficiency and effectiveness of procurement and especially so in public procurement where public scrutiny therefore public interest takes centre stage in all processes. Rodovilsky & Hedge (2004) emphasized that use of ICT in procurement leads to improved operational performance.

In procurement markets, according to Corsi, Gumina and Ciriaci (2006) corruption involves a different process of allocation of contracts than would have been obtained through a competitive process. The contract could be awarded to lowest bidder and in some cases has offered a bribe or in other cases the number of bidders would be reduced hence hindering competition. By hindering competition, the cost of doing business increases and the public is at a loss. ICT has the advantage of ensuring transparency by relaying information globally and this in essence gives the public the powers to question some transactions which would have gone unnoticed in manual processes which hinder information sharing.

A forum organized by OECD in 2005 on “Improving Transparency in Public Procurement” emphasized the important roles ICT can play in enhancing public confidence in procurement. To ensure there is transparency, information ought to be accessible and in an understandable format and language. The concept of timeliness of information as brought out via ICT restricts the timeliness with which to submit bids. The uniformity in information which is a very hard concept to implement in manual processes ensures fairness since bidders are subjected to similar processes and rules throughout the procurement cycle. Since ICT has a facility for handling enormous data, this consequently means that as many bidders as possible are involved in the procurement process, sometimes going beyond the national boundaries due to globalization. The end result is that objectivity through creation of a competitive environment is ensured.

### **3.0. Methodology**

The study used descriptive survey research design with A target population of 130 contractors and worked with entire population. Questionnaire was used. The pilot was done to determine the validity and reliability of the tools used in data collection process. Piloting was carried on the un-contracted contractors to the county government and 15 contractors were used for the pilot. The use of statistical package for social science was applied. Regression analysis was applied to test the significance levels of one variable over the others.

### **4.0. Discussion**

Results on influence of information technology on effective contract management practices in Trans-Nzoia County Government Kenya, the respondents were asked to indicate the level of agreeableness for information technology and the findings are present in the table 4.1 below.

**Table 4.1. Information Technology on Effective Contract Management Practices**

Information Technology	1	2	3	4	5	Total %
	%	%	%	%	%	
County government have appropriate software for contracts	26.7	32	7.3	19	15	100
Management uses information technology to make decisions	24	35.8	6.8	26.1	7.3	100
Information technology is positively related to the contract management	23.3	34.6	5.1	20.5	16.5	100
The organization has training programme to enhance skills and knowledge due to rapid technological changes	27.3	50	5.1	16.5	1.1	100

KEY: Strongly disagree -1, Disagree -2, Neutral -3, Agree -4, Strongly agree -5

The study sought information on whether County government have appropriate software for contracts. The results showed that 32 percent of the respondents disagreed on statement that the County government have appropriate software for contracts, 26.5 percent of respondent strongly disagreed while 19 percent agreed to the statement and the rest 15 percent, 7.3 percent strongly agreed and were neutral respectively. The results can be interpreted to mean that the County government have appropriate software for contracts.

The respondents were asked whether the Management uses information technology to make decisions, majority of the respondents 35.8 percent disagreed while 26.1 percent agreed to the statement, 24 percent of the respondent strongly disagrees and 7.3 percent and 6.8 percent strongly agreed and were neutral respectively. This means that the Management uses information technology to make decisions.

The respondents were asked whether the Information technology is positively related to the contract management 34.6 percent of the respondents disagreed while 23.3 percent of them strongly disagreed about the statement. However 20.5 percent and 16.5 percent agreed and strongly agreed respectively that the Information technology is positively related to the contract management. The results revealed that Information technology is not positively related to the contract management.

The respondents were asked whether the organization has training programme to enhance skills and knowledge due to rapid technological changes, 50 percent of them disagreed while 27.3 percent of the respondents strongly disagreed about the statement. 16.5 percent of the respondents agreed that the organization has training programme to enhance skills and knowledge due to rapid technological changes while the rest 5.1 percent were neutral and 1.1 strongly disagreed about the statement. The results therefore showed that majority of respondents stated that organization has no training programme to enhance skills and knowledge due to rapid technological changes.

The correlation between information technology on contract management practices was calculated using Pearson's Correlation in order to establish the association between the two variables. The results are as shown in the table 4.2 below:

**Table 4.2: Correlation between information technology on contract management practices**

		Employee training	Contract Management Practices
<b>Information Technology</b>	Pearson Correlation	1	.808**
	Sig. (2-tailed)		.000
	N	176	176

\*\*Correlation is significant at the 0.01 level (2-tailed).

The correlation between information technology on contract management practices is 0.808. This means there strong positive association between information technology on contract management practices.

Regression analysis was done to determine the relationship between information technology, contract relationship management, contract monitoring, and dispute resolution on effective contract management practices. The results are as presented on the table 4.3 below.

**Table 4.3: model**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.867 <sup>a</sup>	.752	.666	1.080

a. Predictors: (Constant), information technology,

b. Dependent Variable: on effective contract management practices

The coefficient of determination (Adjusted R<sup>2</sup>) indicates the strength of the variables selected. When we have low R<sup>2</sup>, it can be inferred that these predictor variables do not influence the dependent variable. The coefficient of determination (Adjusted R<sup>2</sup>) statistic of 0.666 indicates that the selected predictor variables (information technology, contract relationship management, contract monitoring, and dispute resolution) account for 66.6 % of the variation in the on effective contract management practices. This means that the selected predictor variables are significant in determination of the dependent variable (effective contract management

practices). However, there are still other variables that influence effective contract management practices that are not captured in this particular model that account for the remaining 33.4% in variation of the effective contract management practices.

**Table 4.4: ANOVA using effective contract management practices**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	207.623	4	51.541	19.245	.000 <sup>a</sup>
	Residual	550.807	172	3.202		
	Total	758.430	175			

a. Predictors: (Constant), information technology,

b. Dependent Variable: effective contract management practices

The above ANOVA table assesses the overall significance of the model. The overall model is significant because the significant value is 0.000 which is less than 0.05 at 95% confidence interval. We therefore fail to reject the model generated for determining effective contract management practices using information technology, are critical in influencing employee retention at county government of Trans-Nzoia. Hence, the model construct is validated

**Table 4.5: Regression Coefficients for the Independent Variables using effective contract management practices**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	-.162	.044		-3.638	.000	-.162	.044
Information technology	.161	.030	.156	5.300	.000	.161	.030

a. Dependent Variable: effective contract management practices

The model generated from the study is: Effective contract management practices =  $-0.162 + 0.156X_1$

Where:

Y = Effective contract management practices (Dependent Variable)

$X_1$  = Information technology,

The hypothesis  $H_{01}$  stated; information technology has no significant influence on effective contract management practices in county government of Trans-Nzoia. The p –value for employee information technology is 0.00; hence we reject the null hypothesis since the calculated p value is less than 0.05. We therefore conclude that information technology has significant positive influence on effective contract management practices. The b value of employee information technology is 0.156 that is it has 15.6 percent influences on effective contract management practices.

## 5.0. Conclusion And Recommendation

In conclusion the influence of procurement practices on contract management practices in county government of Trans-Nzoia County. Information technology was found to be an influencing factor which leads to effective contract management practices. The results of this study have clearly shown that the independent variables which are information technology have a direct and positive influence on the dependent variable that is effective contract management practices which means the enhancement of one independent variable causes the enhancement in the effective contract management practices which is the dependent variable. Today it has become crucial to have a committed, loyal and retained work force, as it is the one whose loyalty can actually pay off in the long run to gain a competitive edge in the business. Therefore if the County government of Trans-Nzoia should work on the factors and apply them in the organization it would definitely foster the effective contract management practices.

The study recommends that the management of county governments embark on a thorough review of their contract policies to incorporate aspects that would enhance effective contract management practices. The county government should have appropriate software for contracts and use information technology to make decision which will positively relate to contract management.

## REFERENCE

- Anbari, F., Bredillet, C., & Turner, J. (2008). Perspectives on Research in Project Management: The Nine Schools. New York: Springer.
- Bailey, P., Farmer, D., Jessop, D., & Jones, D. (2005). Purchasing principles and management (9th ed.). London: Financial Times-Pitman Publishing.



- Bailey, K. and Francis, M. (2008). Managing information flows for improved value chain performance. *International Journal of Production Economics*, 111 (1), 2-12.
- Baily, P.F. and Jessop, D.D and Jones, D. (1994) (7th ed.). Purchasing principles and management. Pitman, London.
- Brensen, M., & Marshall, N. (2002). "Partnering in Construction: A critical Review of Issues, Problems and Dilemmas." *Construction Management and Economics*, 18, 229-237.
- Chain Management, South-Western, Cincinnati, OH., International Thomson publishing, and United States of America.
- Charles C. Okeahalam and Oludele A. Akinboade (2003). Global Corporate Governance Forum -A review of Corporate Governance in Africa: Literature, Issues and Challenges 15 June
- Cicmil, S., & Marshall, D. (2005). "Insights into Collaboration at Project Level: Complexity, Social Interaction and Procurement Mechanisms." *Building Research and Information*, 33 (6), 523-535.
- Cleland, D., & Bidanda, B. (2009). "The Future of Team Leadership in Complex Project Environments". Project Management Circa 2025. Pennsylvania: Project Management Institute, Inc.
- 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
- Coronel, S.S & Kalaw-Tirol, L.(2006). Investigating Corruption-A do it Yourself guide, *Philippine Centre for Investigative Journalism, Manila, Philippines*.
- Corsi, M. Gumina, A. & Ciriacci, D. (2006). How E-Government May Enhance Public Procurement. International Public Procurement Conference Proceedings 21-23
- Croom, S. & Brandon-Jones, A. (2007). Impact of e-Procurement: experiences from implementation in the UK public sector. *Journal of Purchasing and Supply Management*, 13, 294-303.
- Dew, N. (2008) 'Cookies for real world: assessing the potential of RFID for contractor monitoring, *Journal of Public Procurement*, Vol. 8, No 1, pp.98-129.
- Di Maio, A. (2001). E-government: What Are Citizens Really Looking For? Retrieved Oct, 2nd from the website [www.gartner.com](http://www.gartner.com)
- Errigde, A. & McIlroy, J. (2002). 'Public procurement and supply management strategies', *Public policy and administration, volume 17*, No.1, spring, pp 52-71
- Golovachkina, N., J. R. Bradley. (2002). Supplier- Compliance contracts. Working paper, Johnson Graduate School of Management, Cornell manufacturer relationships under forced University, Ithaca, NY.
- Handfield, R. B., Nichols Jr, E. L. (1999). Introduction to supply Chain Management. Upper Saddle River, NJ: Prentice-Hall.
- Helsby, R. & Kaizer, A. (2003). PricewaterhouseCoopers – Economic crime survey 2003. (Online).
- Kalakota, R. & Robison, M. (1999). E-business, roadmap for success. Addison-Wesley Longman. Retrieved March 27, 2017
- Management Circa 2025. Pennsylvania: Project Management Institute, Inc. Elsey. (2007). *CIPS contract Management guide*
- Gareis, R. (2005). Happy projects! Vienna: Manz.
- Government of Kenya (2013). Guidelines on terms and conditions of service for state corporations; Chief executive officers chairmen & Board members, management & unionisable staff, Government press, Nairobi, Kenya.
- Jiang, B. & Qureshi, A. (2006). Research on Outsourcing results: Current Literature & future opportunities, *Management Decision*. Vol.44 No.1 pp 44-55.
- Kramer, W.T. (2003). The rules of fraud. *Risk Management*, 50(11):54.
- Kerzner, H. (2009). Project Management: A Systems Approach to Planning, Scheduling, and Controlling (10<sup>th</sup> Edition). Chichester: John Wiley & Sons.
- Lan, Z.G. Riley, L. and Cayer, J. N. (2005). 'How can local Government Become and Employer of Choice for Technical professionals?', *Review of Public Administration*, Vol25, No.3, pp. 225-242
- Lazar, F. (2000). Project Partnering: Improving the Likelihood of Win/Win Outcomes. *Journal of Management in Engineering*, 16 (2), 71-83.
- Maniam, K. & Halimah, A. and Hazman, S.A. (2006) Citizens Expectations for Electronic Government Services: Malaysian Perspectives. Paper Presented at the e-Gov Asia Conference in Bangkok, Thailand, 26-28 April 2006.
- Minahan, T. (2007). Get Real: The Secret to Supply Risk Management. *Journal of Business Logistics*. Vol. 21, No. 2, pp. 1-16.
- Morris, P., & Jamieson, H. (2004). Translating corporate strategy into project strategy: Achieving corporate strategy through project management. Pennsylvania: Project Management Institute.
- Ngari, M.K. (2012). Effects of Public Procurement and Disposal Act on Procurement in Parastatals in Kenya.

- University of Nairobi. Pp. 1-50.
- Novack, R.A. & Simco, S.W. (1991), "The industrial procurement process: a supply chain perspective", *Journal of Business Logistics*, Vol. 12 No 1, pp. 145-167.
- Ntayi, J.M., Byabashaija, S., Eyaa, S., Ngoma, M., & Muliira, A. (2010a), Social Cohesion, Groupthink and Ethical Behavior of Public Procurement Officers, *Journal of Public Procurement*, Vol. 10, No. 1, pp. 68 – 92
- Odhiambo, W., & Kamau, P. (2003), Public Procurement: Lessons from Kenya, Tanzania and Uganda, OECD Development Centre Working Paper No. 208
- Oluka, P.N. & Basheka, B.C. (2012). Determinants and constraints to effective procurement contract management in Uganda, a practitioner's perspective.
- Owegi, F. & Aligula, E. (2006). Public Sector Procurement in Kenya: The Need for a Coherent Policy Framework. KIPPRA Discussion Paper No. 62, December 2006.
- Plavsic, A. (2004). Procurement takes second place on fraudsters' hit list. <http://www.supplymanagement.co.uk/archiveitem.asp?id=10686> (Accessed on 3 August 2010).
- Pellegrinelli, S., & Murray-Webster, R. (2011). "Multi-paradigmatic Perspectives on a Business Transformation Program", *Project Management Journal*, 42(6), 4-19.
- Project Management Institute (2013). A Guide to the Project Management Body of Knowledge (PMBOK Guide), Fifth Edition. Pennsylvania: Project Management Institute, Inc.
- Pryke, S. (2006). Projects as Networks of Relationships. In S. Pryke, and S. Smyth (Eds.), *The Management of Complex Projects: A relationship Approach*, 213-235. Oxford: Blackwell.
- Rendon, R. G. (2008). "Procurement Process Maturity: Key to Performance Measurement." *Journal of Public Procurement*, 8 (2): 200- 214.
- Riley, J. (2012). ICT - What is good information? Retrieved Oct 4, 2012 from the website: [http://www.tutor2u.net/business/ict/intro\\_information\\_qualities.htm](http://www.tutor2u.net/business/ict/intro_information_qualities.htm)
- Salim, A. A. (2013). The role of procurement contract management in the effectiveness of project management in Tanzania, the case of Millicom Tanzania (TIGO), Research paper for award of CPSP by PSPTB, Dar es Salaam, Tanzania.
- Schiele, J.J. (2007) 'The role of public purchasing departments in acquisition processes for consulting services', *Int. J. Procurement Management*, Vol. 1, Nos. 1/2, pp.144–165.
- Swinney, R. & Netessin, S (2007). Long-Term Contracts under the Threat of Supplier Default.
- Thai, K. & Grimm, R. (2000). Government Procurement: Past and Current Developments. *Journal of Public Budgeting, Accounting and Financial Management*, 12 (2): 231–247.
- Thai, K.V. et al (eds.) (2005), *Challenges in Public Procurement: An International Perspective* (Boca Raton: PR Academics Press)
- World Bank Institute (2011) available at <http://api.ning.com/files/> available online, accessed on 11th January 2017.