



**FACTORS INFLUENCING IMPLEMENTATION OF CENTRALIZED PURCHASING
PROCESS IN THE KENYA POLICE SERVICE**

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ABSTRACT

The purpose of the study was to examine the factors influencing implementation of centralized purchasing process in the Kenya Police Service. The study was carried out among the procurement staff in Kenya polices. This research problem was best studied through the use of a descriptive research design. For this study, the population of interest was all 240 administrative officers derived from the major units of the Kenya Police Service namely the Kenya Police Headquarters staff in Procurement, General Service Unit, and Traffic Unit, Air wing Unit, Police Dog Unit and Administration Unit Officers. Stratified sampling and simple random sampling technique was applied in selection of respondents. Data from the target respondents was collected through administration of a structured questionnaire. Data analysis was done using descriptive statistics and inferential statistics regression and correlation. The study found that lack of training programs on centralized skill base, lack of centralized purchasing planning in Kenya police, ineffective Kenya police public procurement framework and lack of sufficient manpower in purchasing departments were challenges affecting implementation of centralized purchasing in the Kenya police service. The study concluded that lack of contract process awareness in purchasing department in Kenya police services hinders' implementation of centralized purchasing. The study concluded that purchasing risk such as purchasing products at below going market price, insufficient competitive markets, lack of attractive centralized framework affected implementation centralized purchasing in the Kenya police service. The study recommend that institution should focus on effectively improve on their compliance level and should enhance availability of technical knowledge and capacity on implementation of centralized purchasing.

Keywords: Centralized purchasing, implementation of centralized purchasing process, contract process awareness, purchasing risks

INTRODUCTION

Production components, raw materials, IT systems, real estate, cleaning services, professional expertise, IT equipment for employees, office supplies, flight tickets, business gifts, mobile phones, electricity, food supplies the list of what organizations purchase nowadays is varied and practically endless (Lonsdale & Watson, 2005). The purchases can range from individual orders worth a few shillings to multinational contracts with billions at stake. Especially now with the increased specialization of firms and concentration on core competencies, firms are buying more and more from outside instead of producing it internally. Purchasing is typically an area where everyone has an opinion, and employees believe they can do it efficiently themselves as most people do purchasing almost daily in their lives. But organizational purchasing differs from consumer purchasing, for several reasons (Van & Weele, 2002).

While a consumer buys simply to satisfy his own needs, organizational purchasing ultimately has the objective of ensuring operations and competitiveness. Organizational purchasing situations more often have a cooperative orientation (Ketchen & Hult, 2007). In Brazil, the central agent is only responsible for the coordination of energy procurement for the regulated market (captive consumers). Buyers and sellers

in then on-franchised market (eligible customers) May trade energy at unregulated, bilaterally negotiated contracts and are not subject to the procedures of mandated competitive procurement (Iikka, 2008).

Purchasing centralization is fuelled by a drive to reduce costs and increase purchasing process efficiency. Advantages of centralization are said to be for example economies of scale for example lower prices through pooled volumes, standardization of purchased products and materials, better purchasing policy deployment throughout the organization, better financial control, and common information and communications technology and systems (Cousins *et al.* 2008). Despite the initial optimism, the model was not flawless. Experiences in many parts of the world have shown that the centralized procurement fell short of expectations. It created series of unanticipated problems such as excess capacity, high tariffs and stranded costs. In Nigeria, centralized procurement led to purchases of unsuitable goods and services as the specific, detailed requirements of all end-users cannot be taken into account. This was attributed to risks, within a centralized system, that the needs of the user are not fully satisfied since such systems inevitably involve some rationalization and homogenization of demand. In keeping with government commitment to financial discipline, accountability, transparency and ethical conduct calls for effective management of public procurement to obtain value for state spending. This was one of the reasons for the introduction of the Public Procurement Act, 2003 (Act 663) in Ghana to regulate public spending.

The importance of this type of integration is not in doubt; theory has long suggested the need for integration of internal functions and there is empirical evidence that integrating specific internal supply chain functions such as purchasing will lead to higher performance (Pagell, 2004). By taking control of scattered purchases done throughout the organization by individual employees, organizations are expecting to gain savings and other benefits.

Compliance issues have been investigated in various other contexts in literature on organizational behavior although most research has focused on employees in customer service (Harris & Ogbonna, 2002, 2006; Mount *et al.*, 2006). One area in which very little research on organizational non-compliance has been conducted is purchasing and supply management. A study by Gelderman *et al.* (2006) investigated the compliance of public buyers to EU tendering directives. But there are hardly any studies on internal compliance issues in purchasing, that are compliance to using centrally negotiated contracts in every-day operative buying.

The importance of purchasing to organizational competitiveness is increasingly being noted, and it is now considered more and more a strategic function instead of just an operative one (Kraljic, 1983). This new focus on procurement is largely based on the fact that public institutions are slowly acknowledging the value-added capabilities of a function that is typically responsible for procuring assets that equal about 65% of the average company's sales (Cousins & Spekman, 2003). The realization that with managing supply public institutions can save huge amounts of money has led firms to begin to invest in this area of management (Cousins & Spekman, 2003). Thus, more and more attention is placed on purchasing activities in organizations, which has led to the restructuring of purchasing functions and the search for optimal purchasing processes in different product and service categories in different contexts (Parikh & Joshi, 2005; Laios & Moschuris, 2001). Purchasing is transforming from a part-time activity conducted by many to a more specialized function. Especially, the trend has been toward a stronger, more centralized function and greater participation in the firm's strategic planning process (Cuganesan & Lee, 2006).

Despite many of the undeniable advantages, the centralized procurement model fell short of expectations in many Kenyan public institutions. In reality, it turned out to be not as easy to implement in an efficient and sustainable manner as it was originally perceived. For many, the centralized procurement brought more problems than those it was able to solve and the model was eventually strongly criticized as a dangerous path toward competitive electricity markets. It also lacked transparency and accountability, and in some cases exacerbated corruption problems. Because of the rigidity of the contractual arrangements put in place, the Single Buyer impeded the development of competition and the evolution of power sector reform. In government institution in Kenya adopts Centralized Purchasing.

The Kenya Police Service is a national body charged with Law enforcement in Kenya. It is a Department in the Ministry of interior and coordination of national government with its headquarters at Vigilance house on Harambee Avenue in Nairobi. The inspector general of police is responsible for the general administration of the police service including all human resource. As at October, 2011, the service had 43,000 officers serving in eleven formations including the Police training College in Kiganjo. While organized at a national level, the police service is divided into eight Provincial police authorities, each containing several Police Divisions and each division having a number local police posts/ stations. The Department is governed by the Kenya police standing orders which establish the formation of various units and their scope of work (Kenya Police annual report, 2010).

The service has also a number of Formations like the General Service Unit (GSU), Anti Stock Theft Unit (ASTU), Traffic, Motor vehicle inspection unit, Tourist, communication, Transport, Force armourer, Logistic, Ant -terrorist, Air wing, Presidential escort, and Administration police. All this formations are commanded directly from the police headquarters. The recruitment, training, equipping deployment and promotion of Kenya Police Reserve (KPR) have become ripe grounds for corruption. There is need therefore to streamline its operations if its service and image are to be restored. Equally important is the selection of appropriate promotion criteria. A police service that promotes officers based, for example, on the number of arrests they have made will provide quite a different kind of service to the public than a police service whose criteria for promotion emphasize, for example, investigative techniques, ability to communicate effectively with civilians, and integrity. The Kenya police established centralized purchasing process but it has not been successfully implemented (Kenya Police annual report, 2010). Based on the

It has been found that creating a Single Buyer with a monopoly status can be problematic due to high purchasing risks. Such rather rigid energy procurement arrangement should be avoided whenever possible (Rozemeijer, 2000). In developing or transition countries, this type of arrangement has been successful in facilitating Independent Power Producer (IPP) investments and privatization, but it has been disappointing in many other aspects. It may lead to corruption, discriminatory behavior, excess capacity, high prices, increase in public sector liabilities, and even prevent the future development of a competitive power market (Cuganesan & Lee, 2006). Managing the purchasing risks has become an important topic for companies and nowadays, the supply risks should be made transparent and visible. The risk exposure of an organizations in purchasing process is related to the supply markets and for reducing this exposure companies need to know their suppliers' markets (Smart & Dudas, 2007). Companies should not get too reliant on just a few suppliers, both in technology and supply, to lower the risks. In case they are dependent only on a couple of suppliers, they should broaden their supply base for diminishing the risks. It is more important to focus more on quality and precise delivery rather than just price; for long term reduction of supply risks, companies should aim at spreading the purchasing requirements amongst various suppliers (Weele, 2010).

From the background information, implementation of centralized purchasing framework has been facing numerous challenges. The public sector represents about 40-50% of many economies in the developed world in terms of spend on providing services and procuring from the private sector (Knight *et al.* 2007). In Kenya, annual public sector purchases are approximately Kshs 22.5 billion which corresponds to about 15 % of the GDP (Ministry of Finance, 2011). Out of this, the governmental purchases are about 4.5 billion; out of which Ksh 3.2 billion are purchases of products and services. The Kenya government has adopted centralized purchasing process in public sector (KPMG MDA Procurement Assessment, 2009). Kenya Police Service has also embraced centralized purchasing seeking to improve efficiency in purchasing, control finances and reduces losses. The management in Kenya Police service adopts the study as it provides complementary knowledge useful in formulation of policy and a regulatory framework on factors influencing implementation of centralized purchasing process. It also introduced new comparative knowledge for purchasing processes in the Kenya Police Service in dealing with factors influencing centralized purchasing process and attaining efficiency and reduces cost of purchases. This

study sought to assess the effects of compliance level, availability of technical knowledge and capacity, contract process awareness on implementation of centralized purchasing process in Kenya Police Service. The study was significant as it enabled the government to formulate a policy framework that would enhance the centralized purchasing process in the Kenya Police Service. This results to effective purchasing process that creates an environment for continuity by enabling the maintenance of sizeable inventory in the public procurement influencing economic development in the country. Researchers and scholars can use this information to add to their understanding of factors influencing implementation centralized purchasing process in the Kenya Police Service. The study findings also provide other researchers with required literature for their research. It further led to the generation of new knowledge and hence bridges the gap. The study provided a foundation and material for further related research. Despite the significant role of centralized purchasing process in public sector and more specific in Kenya Police service, little research has been done regarding factors influencing centralized purchasing approach. Much local literature has focus on procurement and supply chains management for instance. A study by Rwoti (2005) surveyed the extent of utilization of procurement while Kirui (2001) competitive advantage through outsourcing of noncore logistics activities within the supply chain of British American tobacco Kenya. There has been no study which has focus on assessing factors influencing implementation of centralized purchasing process in Kenya Police Service. This study therefore sought to fill this gap of knowledge by determining factors influencing implementation of centralized purchasing process in Kenya Police Service. To examine the factors influencing implementation of centralized purchasing process in the Kenya Police Service.

- i. To assess the effects of compliance level on implementation of centralized purchasing process in Kenya Police Service.
- ii. To examine the effects of availability of technical knowledge and capacity on implementation of centralized purchasing process in Kenya Police Service.
- iii. To determine the effects of contract process awareness on implementation of centralized purchasing process in Kenya Police Service.
- iv. To assess the effects of purchasing risks on implementation of centralized purchasing process in Kenya Police Service.

Theoretical Framework

In the context of central purchasing based on the award of framework agreements, the purchasing volumes set out in this framework are normally based on estimations and usually do not represent a firm commitment to the supplier(s). The final outcome in terms of contract volume under a framework agreement is uncertain at the time of tendering, especially when the award applies to multi-supplier framework agreements. However, this is usually not the case when a CPB makes bulk purchases directly from suppliers (Van Weele, 2002).

In that situation, suppliers know for certain the actual sales volume, and this certainty, other factors being equal, should provide more favorable terms. The volume of purchases likely to be made at the end of the process is, of course, a key factor in the attractiveness of the framework agreement for potential suppliers. Where the actual volumes are unknown or where they are uncertain for example when there is a second-stage mini-competition that could be won by others, the suppliers may well be wary of making the initial investments necessary to compete in the framework agreement. Another difference between direct bulk purchases and centralized purchasing based on framework agreements is that the latter approach is more sensitive to particular details in the procurement process. Specifically, purchasing terms may depend on how the framework agreements are awarded, where a framework agreement is concluded with several suppliers, the procuring entities are faced with an option. Contracts are awarded either by application of the terms laid down in the framework agreements without reopening any competition or on the basis of a later “mini-tender or mini-competition (Ketchen & Hult, 2007).

Theoretical economic research indicates that the mini-tender option, which in effect introduces a two-stage competition, may stimulate bidding competition and hence reduce prices (Martin, 2001). On the other hand, the possibility that a framework supplier may fail to secure a call-off contract at a later stage may discourage participation in the first place. Another important aspect affecting economies of scale is the call-off or order structure under the framework agreement. Economically, it makes a huge difference for a supplier to produce and deliver in large lots under large-volume contracts to a small number of customers compared to a situation where the supplier has to serve a large number of customers with many small orders, even when the total contract volume is equal.

The introduction of an Integrated Single Buyer model in the developing world occurred in the late 1980s and early 1990s, and was one of the first steps towards opening the power sectors to competition in developing countries (Cuganesan, & Lee, 2006). According to this approach, a vertically integrated utility plays the role of buyer in the wholesale market. The utility may own generation assets, but not sufficient to meet its entire load. Therefore, the utility acquires energy from Independent Power Producers (IPPs) via long-term contracts. By choosing this arrangement, countries have been able to maintain their power sector structures relatively intact; thereby averting strong backlash, which would have emerged in the case of more fundamental reform efforts. This arrangement spurred private sector generation investments in financially constrained power systems (Ammer, 1989).

Countries embarking upon this kind of arrangement were in most cases seeking rapid relief from acute supply shortages, or expected future shortages if no new investment came in place. It was also expected that this model would be able to create some form of competition “for” the market, as multiple bidders should in theory compete to build new generation and sell energy to the integrated utility. The electricity trading arrangements were usually characterized by long-term power purchase agreements (PPAs). Those were typically 15- year or more power contracts, in many cases denominated in US dollars to hedge the producer against currency exchange risks. Some countries took advantage of the possibility to create competition “for” the market through competitive procurement for instance Thailand, Mexico, while others accepted unsolicited offers and entered into negotiated deals.

Centralized purchasing is one of the three organizational models. Centralization does not refer to where the purchasing staff is located geographically, but to where the spending decisions are made. In this model the purchasing power and responsibility of the company is assigned to the central unit of the organization (Martin, 2001).

What Johnson *et al.* (2011) is basically saying is that the bought goods and services are handled by a single purchasing department. In larger companies this department is managed by a purchasing manager and the purchasing department is buying the required goods and services for all the other units in the company. According to Iloranta & Pajunen-Muhonen (2008) in the centralized purchasing model unit resources can be focused on their core competencies. Only the demand is determined by every unit individually, and after that, the purchasing department is handling the rest.

Weele (2010), states that purchasing management is focused on structuring and continuously enhancing purchasing processes inside the organization and between the vendor and the organization. When compared to purchasing management, purchasing processes are not carrying out strategic and long-term execution, but focusing more on the operational level in everyday buying. A process is described to be a set of activities having inputs and outputs, beginning and end and usually the process is occurring in a certain sequence (Johnson et al. 2011). According to Weele (2010), the basic purchasing process model includes six basic phases: defining the specification, supplier selection, contract agreement, ordering, expediting and evaluation. Each of these phases is connected in different ways, and to get a good hold of the purchasing operation, each of these phases needs to be clearly defined. Without the proper pursuit of these phases, purchasing will not be as systematic and coordinated as it should be, leading to different operational problems. Purchasing is considered to be a cross-functional responsibility; therefore the purchasing process is not limited only to the purchasing department. The first three steps in the purchasing process are called initial or tactical purchasing functions and mainly the first three steps are

considered to have technical-commercial characteristics. The other three steps are a part of the ordering function and their characteristics are more logistics-administrative (Weele 2010).

A large producer should be able to achieve greater savings that can be passed on in the form of reduced prices if he has a single large contract with a centralized procurement body (Lonsdale & Watson, 2005). Such a contract gives the producer access to a wider market with fewer fluctuations in his costs as a large number of orders can be processed simultaneously. Production lines and staff can be organized more efficiently. The management of sales is simplified for the producer who in effect sub-contracts the sales side to the procurement agency (Cheung, 2009).

In theory, after obtaining a large contract with a centralised procurement agency, an entrepreneur should be able to increase his profits, invest, and/or lower his prices to become more competitive. This benefits the centralised procurement agency as lower prices are offered (Cheung, 2009). However, this argument is losing some weight with the increase in industrial automation which makes it possible to produce customized products at a similar cost to mass produced products. For example, a hospital can order 10 uniforms made of a certain colour and design for the same cost as would earlier have required an order of 1000 because the order is given and executed through a computerized production system.

The influence of lower prices and higher demand is not, however, simply the result of bulk purchase. Although marginal costs of production and the risk to the supplier can both be reduced with a contract for a large quantity of goods and/or services, there are other economic benefits. The increased purchasing power of the agency allows the supply base to be streamlined and overhead costs to be reduced. It also allows the proactive purchaser to seek changes in the supplier's organisation and production methods further reducing costs (Ketchen&Hult, 2007).

Centralised efforts are often justified by the need to establish technical standards for information technology systems and computer software applications within the government sector and, similarly, to set environmental standards for the inclusion in technical specifications and contracts with suppliers. It is less easy to achieve these objectives if the government's purchasing system is highly fragmented, particularly in the absence of a public procurement office with sufficient formal and informal powers. Potential non-cost benefits which support centralised purchasing groups include, as already mentioned, better service to the customer resulting from a more expert and responsive staff (Monczka & Trent, 1995).

The Conceptual Framework

The conceptual model of the study was based on the following variables: compliance level; availability of technical knowledge and capacity, Contract process awareness and purchasing risks. These formed the independent variables of the study. The dependent variable was the implementation of centralized purchasing process in Kenya Police Service in Kenya. Figure 1 shows the conceptualization depicting the relationship of factors influencing the implementation of centralized purchasing process in Kenya Police Service.

The population of interest was all the administrative officers derived from the major units of the Kenya Police Service Units namely the Administration police, General Service Units, Traffic, Air wing units and Dog unit. Stratified sampling and simple random sampling techniques were applied in selection of respondents. First, the functional units within the Kenya Police Services were treated as strata upon which the respondents were selected. Stratification was used because the population was structured into various non-homogenous units, hence the need for sample diversity. Secondly, a sample of 50% was drawn from each stratum through simple random sampling. According to Kothari (2000) a representative sample is one which is at least 10% of the population thus the choice of 50% is considered as representative. The main advantage of simple random sampling was that it eliminates bias in selection of respondents (Kothari, 2008). The study relied on primary data. Data from the target respondents was collected through administration of a structured questionnaire. The questionnaire had both open-ended and closed questions with options covering issues on the factors influencing implementation of centralized purchasing process in Kenya police service units. Open-ended questions permitted free responses from the respondents, without providing or suggesting any structure for the replies.

The closed questions enabled responses of the respondents to be limited to stated alternatives. These alternatives were designed in such a way as to be simple for the respondents to understand. This method was employed because the researcher was able to isolate the responses from external influences and the respondents were totally free to express their views and attitudes in unbiased manner. The questionnaire designed in this study comprised of two sections. The first part included the demographic and operational characteristics designed to determine fundamental issues including the demographic characteristics of the respondent. The second part was devoted to the identification of factors influencing implementation of the centralized purchasing process in Kenya Police Service Units. Pre-testing of the questionnaire then was done to ascertain for reliability, ensure that they were not ambiguous or confusing to the respondents which could lead to biased responses.

After fieldwork, the questionnaires were coded for purposes of transcribing the findings into the computer. The coded data was then processed using the Statistical Package for Social Sciences (SPSS version 17.0). Data analysis was done using descriptive statistics. Quantitative data analysis involved generation of descriptive statistics namely frequencies and percentages. Qualitative data analysis was performed through segregation of field notes according to codes, categorization of codes according to similarities and organization of data according to study themes from which conclusions were drawn. The data was presented using tables and cross tabulations. Tables were used to present responses and facilitate comparison. Cooper & Schindler (2003) notes that the use of percentages is important for two reasons as it simplify data by reducing all the numbers and translate the data into standard form with a base of 100 for relative comparisons. The study drew conclusions and put forward recommendations based on the information gathered. Multiple regression and Correlation analysis were computed to establish the variations of variables.

Reliability Statistics

In this study, reliability was ensured by piloted questionnaire with a selected sample from respondents who were not included in the actual data collection. The pre-test was conducted by the principal researcher (Neuman, 2000). From the findings, the coefficient was 0.8127 approximately 0.81 which was closer to 1 making the instrument very reliable (Table 1).

Table 1. Reliability statistics

Variable	Crobanch	No of Item
Compliance Level	0.8531	5
Availability of technical knowledge and capacity	0.7992	6
Contract Process Awareness	0.8249	6
Purchasing Risks	0.7950	6
Overall	0.8127	

RESULTS AND DISCUSSION

Compliance Level

Table 2. Compliance issues affecting implementation of centralized purchasing at Kenya Police

Statement on Compliance Issues	Mean	Std deviation
Lack of centrally negotiated contracts	4.79	0.83
Alignment of marketing department and national contract functioning	4.45	0.75
Supply Volume change	4.52	0.87
Change in technology	4.12	0.88
Market changes in terms of good availability and demands	4.61	0.95
Lack of accounting interest in centralized procurement	4.51	0.50
Poor tracking of purchasing related costs	4.72	0.61
Ineffective quantification of saving from centralized purchasing	4.61	0.57
Lack of Kenya police units engagement	4.02	0.81

The Table 2 indicates the response of the respondent's extent to which they agreed with given statement concerning employee's the extent to which they agreed that compliance issues affected implementation of centralized purchasing at Kenya Police. A five point likert scale was used to interpret the respondent's extent. According to the scale those issues that were strongly disagreed on were awarded 1 while those which were strongly agreed on were awarded 5. Within the continuum are 2 for disagree, 3 for neutral and 4 for agree. Mean and standard deviation were used to analyze the data. According to the study, those factors with a mean close to 4.5 were rated as to have strongly agreed while those with a mean close to 3.0 were rated to a strongly disagreed or even not considered at all. On the same note the higher the standard deviation the higher the level of disagreement or dispersion among the respondents. From the findings, majority of the respondents strongly agreed that Lack of centrally negotiated contracts, poor tracking of purchasing related costs and Market changes in terms of good availability and demands affected the implementation of the centralized purchasing in Kenya police services as indicated by a mean of 4.79, 4.72 and 4.61 respectively. The study further found respondents agreed that supply volume change and lack of accounting interest in centralized procurements indicated by a mean of 4.52 and 4.51 respectively. The respondents also agreed that there was failure by management to alignment of marketing department and national contract functioning, and change in technology as indicated by a mean of 4.45 and 4.12.

Table 3. Lack of technical knowledge and capacity affects implementation of centralized purchasing

Statement on Extent of the Effects of Lack of Technical Knowledge and Capacity	Mean	Std deviation
Ineffective legal framework affects implementation of centralized purchasing	4.35	0.64
Kenya police public procurement framework in ineffective	4.80	0.79
Lack of procurement reforms at Kenya police through political process	3.98	0.44
Lack of skills and knowledge on management of changes in procurement	3.73	0.41
bureaucratic processes hindering the capacity of procuring staff	4.48	0.59
Poor preparation of the procuring team to manage challenges of centralized purchasing systems	4.43	0.67
Lack of centralized purchasing planning in Kenya police	4.81	0.87
Un accessible foreign skill	3.91	0.37
Poor or lack of knowledge transfer through consultations	4.44	0.73
Lack of sufficient manpower in purchasing departments	4.41	0.54
Inflexible purchasing schedules	4.13	0.59
Lack of training programs on centralized skill base	4.86	0.48

The study sought the extent to which technical knowledge and lack of capacity affected implementation of centralized purchasing at Kenya Police services. From the findings as presented in Table 3, majority of the respondents strongly agreed that lack of training programs on centralized skill base, lack of centralized purchasing planning in Kenya police, ineffective Kenya police public procurement framework and lack of sufficient manpower in purchasing departments were challenges affecting implementation of centralized purchasing at Kenya police service as indicated by a mean of 4.86, 4.81 and 4.8 respectively. The study also found that most respondents agreed that bureaucratic processes hindered the capacity of procuring staff, poor or lack of knowledge transfer through consultations, poor preparation of the procuring team to manage challenges of centralized purchasing systems and as lack of sufficient manpower in purchasing departments indicated by a mean 4.48, 4.44, 4.43 and 4.41 respectively of challenges implementation of centralized purchasing in Kenya police service. The study further found that most respondents agreed that Inflexible purchasing schedules, lack of procurement reforms at Kenya police through political process, inaccessible foreign skills and lack of skills and knowledge on management of changes in procurement challenges implementation of centralized purchasing as indicated by a mean of 4.13, 3.98, 3.91 and 3.73 respectively. Smart & Dudas, (2007) who found that inadequate human capital is too little understanding of procurement performance measurement systems in government, too little awareness of the concept of performance measurement and too few trainers able to pass on performance measurement skills to employees that end in negative implementation of centralized purchasing process in the organizations. The shortage of performance measurement-related skills is one outcome of a general low standard of basic education in Kenya. Poor general literacy and innumeracy reduce the number of people who can make effective use of performance measurement tools, not simply in the workforce but also as individual consumers.

Adoption of New Technology

Table 4. Lack of new technology adoption in purchasing affects implementation of centralized purchasing

Responses	Frequency	Percent
Very great extent	85	87
Great extent	12	12
Moderate	1	1
Total	98	100

The respondents were requested to indicate the extent to which lack of adoption of new technology in purchasing challenged implementation of centralized purchasing. From the findings as shown in Table 4, 87% indicated that lack of adoption of new technology affected implementation of centralized purchasing to a very great extent, 12% indicated to a great extent while 1% of the respondents indicated to a moderate extent. The respondents explained that lack of adoption of new technology had been affecting sharing of information on purchasing, slow real time responses on purchasing needs, and generally affected management of purchasing process. Thompson & Cats- Baril, (2003) pointed out that technologies allow organizations to respond better to existing challenges and improve anticipations of future developments. This clearly indicated that failure to adopt new technologies in purchasing had challenges to implementation of centralized purchasing in Kenya Police Services.

Contract Process Awareness

Extent of the Effects of Departmental Decisions in Purchasing Process Policy Making

Table 5. Extent to Which Department Made Purchasing Decisions

Responses	Frequency	Percent
Very great extent	83	85
Great extent	12	13
Moderate	3	2
Total	98	100

The respondents were requested to indicate the extent to which different department in Kenya police services making their own purchasing decisions affected implementation of centralized purchasing. From the findings (Table 5), majority 85% indicated different police department making their own purchasing decisions hindered implementation of centralized purchasing to a very great extent , 13% indicated it affected implementation of centralized purchasing to a great extent while 2% indicated that different department making their own purchasing decisions affected implementation of centralized purchasing to a moderately extent. The respondents explained that centralized purchasing decision making process affected coordination of the purchasing process creating disharmony and confusion leading to high losses of fund. This clearly indicated that lack of central purchasing decision making in Kenya police service greatly affected the implementation of centralized purchasing process. Weele, (2010) who noted that in

many organizations, the authority to order materials and services is decentralized and dispersed throughout the organization and that lack of awareness of corporate contracts or deliberate disregard of corporate contracts may lead to contract compliance rates being far less than 100%.

Influence of contract process awareness on implementation of centralized purchasing.

Table 6. Contract process awareness affecting implementation of centralized purchasing at Kenya Police.

Responses on Influence of Contract Process Awareness on Implementation of Centralized Purchasing.	Mean	Std deviation
Lack of information on centralized purchasing	4.53	0.55
Deliberate disregard of Kenya police purchasing contracts	3.99	0.34
Failure to channel purchasing through contracts with suppliers	4.67	0.63
The interference of top management with purchasing process	4.03	0.41
Failure to compliance with purchasing compliance in Kenya police	4.61	0.53
Biased selection of preferred suppliers	4.87	0.84

The respondents were requested to indicate the extent to which the contract process awareness affected the implementation of centralized purchasing at Kenya police service. From the findings as indicated in Table 6, majority of the respondents strongly agreed that biased selection of preferred suppliers, failure to compliance with purchasing compliance in Kenya police service, failure to channel purchasing through contracts with suppliers and Lack of information on centralized purchasing affected the implementation of centralized purchasing as indicated by a mean of 4.87, 4.61, 4.67 and 4.53 respectively. The study further found that most respondents agreed that the interference of top management with purchasing process and deliberate disregard of Kenya police purchasing contracts affected the implementation of centralized purchasing as indicated by a mean of 4.03 and 3.99 respectively.

Upon requesting on the individual opinion throw which contract awareness had affected the implementation of centralized purchasing at Kenya police service the respondents according to the findings indicated that ineffective contract awareness hindered centralized purchasing decision process, affected flow of information regarding centralized purchasing decisions. The respondents also explained that lack of contract awareness led to conflict of interest among the top management. Hacker & Brotherton, (1998) indicated that centralized policy cannot be implemented at the expense of a decisive loss of attractiveness of central framework agreements, which in turn would undermine the role of the CPB.

Purchasing Risks

The respondents were requested to indicate the extent to which they agreed on purchasing risks affecting implementation of centralized purchasing in Kenya police service (Table 7). From the findings, majority of the respondents strongly agreed that purchasing products at a below going market price, insufficient competitive markets, lack of attractive centralized framework affected implementation of centralized purchasing in the Kenya police as indicated by a mean of 4.77, 4.70 and 4.71 respectively. The study found that most of the respondents agreed that the Kenya police favours large suppliers ignoring new and small suppliers affecting implementation of centralized purchasing as indicated by a mean of 4.43, that lack of diversification of Kenya police structures affected implementation of centralized purchasing as indicated by a mean of 4.33 while lack of definite of volume of purchase results to uncertainties of suppliers who refrain from submitting tender also affected implementation of centralised purchasing

decision to a great extent as indicated by a mean of 4.11. The study further found that most respondents agreed that unnecessary standardization requirements and discrimination in awarding procurement contracts affected implementation of centralized purchasing in Kenya police service as indicated by a mean of 4.00 and 3.86 respectively. The findings concurred with Harris & Ogbonna, (2002) who indicated that centralized purchasing in the form of direct bulk purchasing is that the government may thereby take unnecessary commercial risks and that it may happen that a public institution procures goods or services that procuring entities do not consider as meeting their requirements and therefore that they do not want to purchase.

Table 7. Extent to which purchasing risk affects implementation of centralized purchasing process

Statement on Extent of Purchasing Risks on Implementation of Centralised Purchasing	Mean	St dev
Effects of favouritism on larges suppliers ignoring new and small suppliers affecting implementation of centralized purchasing	4.43	0.53
Lack of definite volume of purchase results to uncertainties of suppliers who refrain from submitting tender	4.11	0.57
Resistance from large suppliers affects implementation of centralized purchasing in Kenya police	4.38	0.33
Discrimination in awarding procurement contracts hinders implementation of centralized purchasing	3.86	0.77
Lack of diversification of Kenya police structures	4.33	0.49
Insufficient competitive markets	4.70	0.87
Lack of attractive centralized framework	4.71	0.67
Unnecessary standardization requirements	4.00	0.75
Purchasing products at a below going market price	4.77	0.56

Regression Analysis

Table 8. A multivariate regression model was applied to determine the challenges facing implementation of centralized purchasing in Kenya police services.

Model	R	R 2	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.082(a)	.798	.718	0.34	1.741	6	6.207	8.191	.001(a)

Predictors: (Constant) compliance level, availability of technical knowledge and capacity, contract process awareness and purchasing risk

Dependent: Implementation of centralized purchasing

From the Table 8, R is the square root of R-Squared and is the correlation between the observed and predicted values of dependent variable implying that the association of 0.082 between challenges affecting implementation of centralized purchasing in Kenya Police Services.

Adjusted R² is called the coefficient of determination which indicates how the implementation varies with variation in challenges affecting implementation of centralized purchasing included compliance level, availability of technical knowledge and capacity, contract process awareness and purchasing risk. This

implied that, there was a variation of 71.8% of challenges affecting implementation of centralized purchasing was statistically significant with P-Value of 0.01 which was less than 0.05 at a confidence level of 95%.

Table 9. ANOVA (B)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.841	23	.307	5.191	0.01(a)
	Residual	7.714	76	.059		
	Total	11.556	98			

The Total variance (11.556) was the difference into the variance which can be explained by the independent variables (Model) and the variance which was not explained by the independent variables (Error). The strength of variation of the predictor values affects the implementation of centralized purchasing at 0.01 significant levels. From the study, the mean of the dependent variable differs significantly among the respondents. From the findings, the strength of variation of the predictor values of compliance level, availability of technical knowledge and capacity, contract process awareness and purchasing risk affected implementation of centralized purchasing significantly as P Value was 0.01 less than 0.05 confidence level (Table 9).

Table 10. Coefficients (a)

Model		Un-standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.768	.275		3.640	0.01
	Compliance Level	-0.883	.405	.857	2.931	0.03
	Availability of technical knowledge and capacity	-0.717	.546	.722	2.803	0.04
	Contract Process Awareness	-0.468	.520	.791	1.906	0.07
	Purchasing Risks	-0.791	.690	-.729	1.672	0.01

Predictors: (Constant) compliance level, availability of technical knowledge and capacity, contract process awareness and purchasing risk.

Dependent: Implementation of centralized purchasing

$$Y = 0.768 - 0.883 X_1 - 0.717X_2 - 0.468X_3 - 0.791X_4$$

The regression equation above as shown in Table 10 has established that taking all factors into account (compliance level, availability of technical knowledge and capacity, contract process awareness and purchasing risk) constant at zero implementation of centralized purchasing would be at 0.768. Holding variables affecting implementation of centralized purchasing process at constant at zero (0). Increase in low compliance level would affect implementation of centralized purchasing by a factor of 0.883 with P value of 0.003. The finding was in line with Harris and Ogbonna, (2002) who indicated that compliance challenges have been an issue affecting implementation of centralized purchasing and that the

organizational non-compliance has been found to hinder use of centralized purchasing and supply management. The study found that increase in lack of availability of technical knowledge and capacity in Kenya police service purchasing units affected implementation of centralized purchasing by a factor of 0.717 with P value of 0.006. The finding concurred with Arjan, (2005) who indicated that lack of knowledge on how to marshal reforms through the political and bureaucratic processes and on how to manage change. A unit increase in lack of contract process awareness hindered the implementation of centralized purchasing by a factor of 0.468 with a P value of 0.007 which was greater than 0.05 and therefore its effects on implementation of centralized purchasing was not statistically significant. The study also found that Purchasing Riskshinders implementation of centralized purchasing with the finding significant as it had a P-Value > 0.05 at 0.01. The findings concurred with Smart & Dudas, (2007) who indicated that risk exposure of a company is related to the supply markets at centralized purchasing implementation .

SUMMARY OF THE FINDINGS

The study results established that financial control systems in Kenya police service affected implementation of centralized purchasing to a very great extent. This was because financial management and controls experience bureaucracy and delays affecting implementation of centralized purchasing at Kenya police service. Lack of internal purchasing integration affected implementation of centralized purchasing as failure to integrate the purchasing activities hinder coordination, lead to high cost of purchasing and hinder transparency in procurement hindering implementation of centralized purchasing in Kenya Police Services.

The study found that lack of compliance in purchasing and supply chain management constrained implementation of centralized purchasing in Kenya police services. They demonstrated non-compliance, in purchasing, led to resistance to change and embraced new purchasing model. The study established that the purchasing in Kenya police service was controlled by only powerful personnel's who wish the status quo remains. This clearly indicated that non-compliance in purchasing and supply chain management affected the implementation of centralized purchasing in Kenya Police Services

The study revealed that lack of centrally negotiated contracts, poor tracking of purchasing related costs and Market changes in terms of good availability and demands affected the implementation of the centralized purchasing in Kenya police services .The study further found that lack of accounting interest in centralized procurement change and failure by management to alignment of marketing department and national contract functioning, change in technology affected implementation of centralized purchasing in Kenya Police Services.

The study revealed that staff in purchasing unit was resistance to implementation of centralized purchasing due to fear of losing their job, fear of the change that would take effects and fear that they may be relocated to other duties. This implied that staff resistance poised a challenge to implementation of centralized purchasing in Kenya police service. The study revealed top management influenced the decision on purchasing due to interests they had such as to be considered for supply of certain goods and services.

The study also found that lack of political good will hindered implementation of centralized purchasing to a greater extent. These implied that failure by the political class to enact amendment to support implementation of centralized purchasing poised a great challenge to implementation of central purchasing model in Kenya police service. The study also found that lack of competencies in centralized purchasing operations poised a challenge to implementation of centralized purchasing in Kenya Police Service.

From the findings majority of the respondents strongly agreed that lack of training programs on centralized skill base, lack of centralized purchasing planning in Kenya Police, ineffective Kenya police public procurement framework and lack of sufficient manpower in purchasing departments were challenges affecting implementation of centralized purchasing at Kenya Police Service .The study also

revealed that most bureaucratic processes hindered the capacity of procuring staff, poor or lack of knowledge transfer through consultations, poor preparation of the procuring team to manage challenges of centralized purchasing challenged implementation of centralized purchasing in Kenya Police Service.

The study revealed that high cost of implementation of centralized purchasing challenged implementation of centralized purchasing at Kenya Police Service as cost anticipated in implementation of centralized purchasing which included the alignment of human resource, low budgetary allocation from the government as well as cost of acquisition of equipment challenge implementation of centralized purchasing implementation. It was also established that different departments in Kenya Police Service made their own independent purchasing decisions hindering affective implementation of centralized purchasing. This was found to strain centralized purchasing decision making process due to lacking coordination of the purchasing process creating disharmony and confusion, this clearly indicated that lack of central purchasing decision making in Kenya Police Service greatly affected the implementation of centralized purchasing in the service.

It was also established that top management in the Kenya Police Service hindered implementation of centralized purchasing decisions to a great extent. The respondents explained that ineffective communication from the top management, failure to allocate resources toward centralized purchasing, delay in making decision and resistance to purchasing reforms affected implementation of centralized purchasing in the Kenya police Service. In addition, lack of awareness of centralized purchasing contracts was found to affects implementation of centralized purchasing at Kenya police as parties involved lacked information on how best to implement centralized purchasing.

It established that biased selection of preferred suppliers, failure to of being purchasing compliance in Kenya police, failure to channel purchasing through contracts with suppliers and lack of information on centralized purchasing affected the implementation of centralized purchasing to a great extent. The study further found that interference of top management with purchasing process and deliberate disregard of Kenya police purchasing contracts affected the implementation of centralized purchasing.

The study revealed that purchasing risks and supply risks sometime occasioned by lack of transparency and visibility in purchasing decision greatly hindered the implementation of centralized purchasing. Lack of transparency was found to increased level of corruption and uncertainty as top management resist efforts to implement centralized purchasing process which minimises the level of selfishness.

The study found that purchasing products at below going market price, insufficient competitive markets, lack of attractive centralized framework affected implementation of centralized purchasing in the Kenya Police Service .The study established that the Kenya police favour large& Established supplier hence ignoring new and small suppliers affecting implementation of centralized purchasing. The lack of diversification of Kenya police structures affected implementation of centralized purchasing while lack of definite of volume of purchase results to uncertainties of suppliers who refrain from submitting tender also affected implementation of centralised purchasing decision to a great extent .The study further found that unnecessary standardization requirements and discrimination in awarding procurement orders hindered implementation of centralized purchasing in Kenya Police Force .

RECOMMENDATION

The study had revealed that centralization of purchasing activities is an escalating trend for both public and private organizations. Organizations are attempting to implement centralized purchasing to capture the economies of scale in purchasing prices and process costs by replacing individual purchases done throughout the organization with corporate-wide framework agreements. However, centralized purchasing implementation has been challenged by low level of compliances. The study therefore recommend that institution should focus on effectively improve on their compliance level. This would enable the organization to effectively implement centralized purchasing which would led to benefits to be achieved by the formalization of purchasing processes and channels for example e-procurement, and the reduction in supplier base, developed by the central purchasing unit. But these changes may challenge the

other employees used to handling purchases more informally at a local level as well as limit participation of smaller suppliers.

The study recommends that public institution should enhance availability of technical knowledge and capacity on implementation of centralized purchasing. This would enhance control of scattered purchases done throughout the organization as the officers in purchasing department would execute their responsibilities effectively improving on lead time in purchasing operation. The result of inadequate human capital is by too little understanding of procurement performance measurement systems in government, too little awareness of the concept of performance measurement and too few trainers able to pass on performance measurement skills to employees should be resolved to achieve success in implementation of centralized purchasing.

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