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**Procurement Practices on Performance of Donor-Funded Non-Government Organizations in Kiambu County, Kenya**

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**Abstract:**

**Purpose:** The study aimed to examine the influence of procurement practices on the performance of donor-funded non-governmental organizations (NGOs) in Kiambu County, Kenya. Specifically, it assessed the effects of competitive bidding and single sourcing on organizational performance.

**Material/methods:** The study was underpinned by Institutional Theory and Agency Theory. It targeted 41 donor-funded NGOs operating in Kiambu County, comprising a population of 123 top-level personnel, including general managers, procurement/supply chain managers, and finance managers. A census approach was adopted to include all 123 respondents. Data were collected using structured questionnaires aligned with the research objectives. Instrument validity was determined using the Content Validity Index (CVI), and reliability was assessed through Cronbach's Alpha. Data analysis involved both descriptive statistics (frequencies, means, and standard deviations) and inferential statistics, including correlation and regression analysis.

**Findings:** The study established that procurement practices—specifically competitive bidding and single sourcing—have a statistically significant influence on the performance of donor-funded NGOs. These practices affect cost efficiency, transparency, and timely service delivery.

**Conclusion:** The study concludes that the adoption of effective procurement strategies is integral to enhancing the performance of donor-funded NGOs. Strategic application of both competitive bidding and single sourcing can contribute to improved organizational outcomes.

**Value:** This study highlights the critical role of procurement practices in NGO operations and recommends the strengthening of competitive bidding procedures, appropriate application of single sourcing, and continuous capacity-building for procurement professionals to promote efficiency and accountability in donor-funded projects.

**Keywords:** Competitive Bidding, Single Sourcing, Performance, Donor-Funded, NGOs

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### 1.1. Introduction

Donor-funded NGOs rely on sustained high performance and continuous improvement to secure ongoing support and achieve their missions, with sustainability encompassing financial stability, stakeholder satisfaction, and staff well-being (Ilesanmi et al., 2022; Mohd Zawawi & Abd Wahab, 2019). To remain viable amid evolving funding landscapes and intensifying competition for grants, these organizations must invest in hard-to-replicate intangible resources—such as organizational knowledge, stakeholder networks, and reputational capital—and adopt strategic policies that ensure operational continuity and bolster competitive advantage (Mahmoud Saleh & Karia, 2024; Reinsberg et al., 2024). Given the critical role of procurement in controlling costs, mitigating risks, and driving program impact, a clear understanding of how procurement practices affect NGO performance is paramount for leadership and donors alike.

Procurement underpins the smooth execution of NGO projects by managing the end-to-end acquisition of goods and services—spanning scope management, supplier selection, contracting, sourcing, order fulfillment, and contract closure (Rane et al., 2020). Over time, definitions of procurement have evolved from a purely transactional focus to a strategic function: Adamtey (2022) emphasizes procurement as the careful selection and contracting process essential for project delivery, while Naoum and Egbu (2016) position it as a coordination mechanism that aligns multiple stakeholders. Regardless of definition, procurement’s ultimate aim remains the same: to deliver project objectives cost-effectively while upholding quality standards and satisfying donor and beneficiary expectations (Rahmani et al., 2017).

A range of procurement methods—competitive bidding, quality-and-cost selection, individual consultant selection, and single-source contracting—can differentially impact NGO efficiency, transparency, and success (Salem et al., 2018; Hughes, 2019; Khan, 2018). Yet many donor-funded NGOs in Kiambu County struggle to optimize these processes due to capacity constraints and limited market intelligence. Local studies underscore procurement’s importance: Chepkemai (2020) demonstrated in Machakos County how rigorous bidder evaluation drives project success, while Musonye and Machoka (2024) found in Nairobi City County that streamlined procurement planning directly correlates with higher organizational performance. Similarly, Karanja and Kiarie (2020) in the private sector and Njiri and Munene (2024) at Nakuru Level 5 Referral Hospital reveal that well-structured vendor management and contract oversight significantly enhance service delivery and cost control.

Despite Kenya’s explosive NGO growth—from 125 in the 1970s to over 11,000 by 2019—governance and regulatory complexities under the NGO Coordination Act (1992) and Public Finance Management Act (2012) continue to hamper operational effectiveness, creating layers of compliance that can slow down procurement cycles (NGOs Coordination Board, 2019; Amuhaya, 2020). Procurement inefficiencies—lengthy cycle times (now averaging 75 days), declining supplier evaluation success rates (57%), rising cost overruns (up to 18%), and instances of fraud or substandard supplies—further undermine service delivery, damage beneficiary trust, and erode donor confidence (Gyongyi & Sigala, 2021; Murigi, 2014; Vaillancourt, 2021). These challenges highlight an urgent need for process improvements and stronger oversight.

While procurement now accounts for the lion's share of humanitarian and development expenditure, scant research has directly linked specific procurement practices to overall NGO performance in Kiambu County. Existing studies often focus narrowly on health-sector projects or isolated procurement policies (Rop, 2024), leaving a critical gap in understanding how strategic sourcing, bidding methods, vendor management, and contract administration collectively influence operational efficiency, financial accountability, and stakeholder satisfaction. Addressing this gap through a comprehensive, county-level analysis will equip NGO managers and policymakers with actionable insights to identify best practices, rectify systemic bottlenecks, and safeguard NGOs' long-term sustainability and impact.

## **1.2.Theoretical and Conceptual Framework**

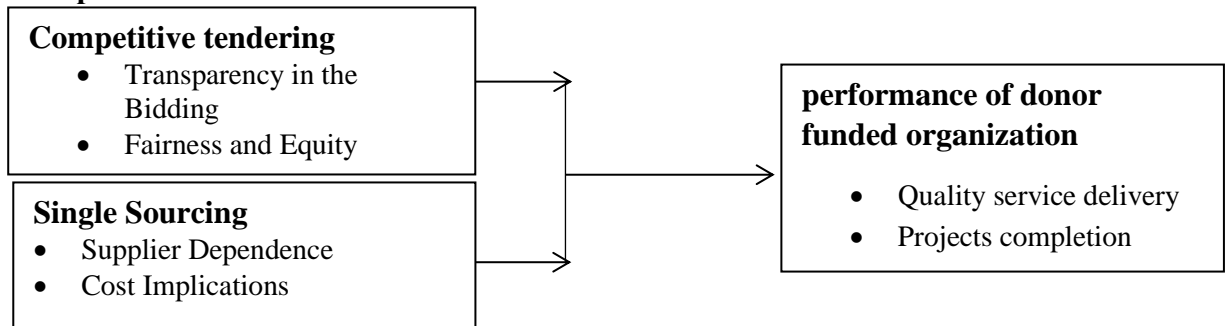
Institutional theory, pioneered by Meyer and Rowan (1977) and later refined by DiMaggio and Powell (1983), explains that organizations often adopt practices not purely for their efficiency but to conform to the coercive, mimetic, and normative pressures of their institutional environment. These pressures—whether from laws, industry norms, or peer behaviors—drive entities to implement standard procedures, such as competitive bidding in procurement, to secure legitimacy and stakeholder trust. North (1990) underscored that these regulatory frameworks create the “rules of the game,” while Kiage (2013) and Obanda (2018) demonstrated in the NGO context that competitive bidding is frequently a response to external mandates rather than internal performance goals, and that rigid compliance requirements can sometimes impede procurement efficiency. By viewing donor-funded NGOs in Kiambu County through this lens, the study assesses whether competitive bidding truly enhances transparency and cost-effectiveness or simply fulfills formal expectations at the expense of operational agility. Institutional theory thus provides a powerful framework for understanding how legal and normative forces shape procurement behavior, offering insights into striking the right balance between compliance and performance in resource-constrained, regulation-driven settings.

Agency theory, formalized by Jensen and Meckling (1976), focuses on the conflicts that arise when principals (such as donors or organizational boards) delegate authority to agents (procurement officers or managers) whose personal incentives may diverge from the principal's objectives. This misalignment can lead to moral hazard, favoritism, or opportunistic behavior—risks that are particularly acute under single-sourcing arrangements where competition is absent. Williamson (1985) argued that while long-term relationships with a single supplier can bring efficiencies, they also heighten the danger of supplier opportunism and reduced cost competitiveness. Empirical studies by Mahmood (2010) and Amemba et al. (2013) confirm that urgency or specialized requirements often drive NGOs toward single sourcing, but without rigorous oversight and incentive alignment, this practice can inflate costs and undermine transparency. Applying agency theory to donor-funded NGOs in Kiambu County, the study evaluates whether single sourcing is employed strategically to streamline procurement or whether it exacerbates inefficiencies through weak governance. In doing so, it illuminates how robust monitoring mechanisms and well-structured incentives can align agent behavior with organizational goals, ensuring that procurement decisions support both flexibility and accountability.

The conceptual framework depicted in Figure 1 provides a diagrammatic representation of the hypothesized relations between the independent variables of procurements

procedures, including competitive bidding and single sourcing, and the dependent variable, performance of donor funded organization Kiambu County, Kenya.

### Independent Variables



### Independent Variables

### Dependent Variables

**Figure 1:** *Conceptual framework*

## 2.1. Empirical Review

### 2.1.1. *Competitive bidding and Organizational performance*

Empirical studies consistently demonstrate that competitive bidding can significantly enhance procurement outcomes by fostering accountability and cost-effectiveness. Njiro (2023), through a qualitative analysis of public procurement frameworks, showed that adhering to the “5Rs” principle—delivering the right goods at the right time, place, quantity, quality, and cost—via framework contracts strengthens governance and ensures value for money. Issah and Eric (2024) corroborated these findings with quantitative data from 142 respondents, revealing that competitive tendering reduces transactional costs by streamlining supplier selection processes and minimizing administrative overhead. Masudio (2021) further reinforced this perspective in a case study of Moyo District Local Government, where multiple regression analysis indicated that open bidding not only improves supplier access but also enforces strict compliance with evaluation criteria, thereby promoting transparency and competitive fairness among bidders.

Despite these clear benefits, the successful implementation of competitive bidding depends heavily on institutional capacity and process efficiency. Maraka and Osoro (2024) found in Turkana County that while effective tender advertisement and robust dispute-resolution mechanisms can accelerate service delivery, bureaucratic complexities often introduce delays that erode the gains from competitive processes. Linda and Yormesro (2024) similarly identified that even when procurement regulations align with the Public Procurement Act (2016), challenges such as inadequate staffing, opaque decision-making, and cumbersome approval workflows frequently hinder efficiency. Together, these studies underscore that—beyond simply mandating competition—policymakers and practitioners must invest in capacity-building, tighten procedural guidelines, and leverage digital platforms to streamline workflows if the full promise of competitive bidding is to be realized.

### 2.1.2. *Single Sourcing and Organizational Performance*

The literature on single sourcing reveals that, under certain conditions, relying on a sole supplier can yield performance benefits by fostering deeper partnerships and reducing

lead times. Oloiptip (2023) employed stratified random sampling across Kenya's cement manufacturing sector to demonstrate that single sourcing can enhance operational efficiency and cost predictability when suppliers offer specialized expertise or bulk discounts. Onyimbo and Moronge (2018) reported a strong positive correlation ( $r = 0.842$ ) between single sourcing and procurement performance in Kenyan public entities, attributing improvements to streamlined communication channels and reduced negotiation cycles, which collectively shorten procurement timelines and bolster supplier accountability.

However, single sourcing also carries inherent risks that can compromise long-term performance if not carefully managed. Sheta (2024) used correlation analysis at South Nyanza Sugar Company to find that single sourcing sometimes yields negative, though not statistically significant, effects on organizational outcomes, suggesting that over-reliance on one supplier may limit competitive leverage. Kamau and Wanjiru (2022) further cautioned that in the healthcare sector, while emergency procurements under single sourcing reduced administrative costs, they also heightened supplier dependency and diminished market competitiveness over time. These mixed findings highlight the critical need for robust oversight, diversified supplier evaluation, and contingency planning to ensure that single sourcing strategies deliver sustained value rather than short-term gains.

### **3.1. Methodology**

This study employed a descriptive survey design underpinned by a positivist ontology and epistemology, using quantitative methods to examine how procurement procedures relate to the performance of donor-funded NGOs. By drawing on established theories and hypotheses, the survey framework allowed for systematic measurement and explanation of variables, aligning with Cooper and Schindler's (2011) assertion that descriptive surveys are well suited to testing predefined relationships in social research.

#### *3.1.1. Target Population and Sampling*

The research targeted all 123 senior staff—general managers, procurement/supply-chain managers, and finance managers—across 41 donor-funded NGOs in Kiambu County, employing a full census approach. Israel's (2012) guidelines justify census surveys for small populations by ensuring comprehensive coverage without sampling error, thereby capturing the complete range of insights from those directly responsible for procurement decisions.

#### *3.1.2. Data Collection Instrument*

Primary data were gathered via a structured questionnaire composed of closed-ended, five-point Likert items designed around the study's objectives. This format promotes high response rates and consistency in coding, while a pilot test of nine questionnaires (5% of the population) in Nairobi County NGOs—exclusive of the main sample—ensured the instrument's clarity and relevance before full deployment (Mugenda & Mugenda, 2013; Vogt, 2010). Instrument reliability was evaluated through internal consistency using Cronbach's alpha, with coefficients above 0.70 deemed acceptable (Tavakol & Dennick, 2011). This rigorous assessment confirmed that each set of Likert items reliably measured its respective construct, providing confidence in the stability of responses across repeated trials. Content validity was established through collaborative expert review with the supervisor, ensuring that questionnaire items

accurately reflected the study's objectives (Kang et al., 2021). Construct validity was further tested via component factor analysis to verify that items loaded appropriately onto their intended constructs, while pilot feedback helped eliminate ambiguities (Arafat et al., 2021; Field, 2021).

### 3.1.3. Data Analysis and Presentation

Survey responses were coded and analyzed using SPSS, employing descriptive statistics (means, tables, charts) to summarize variables and inferential techniques—including regression analysis at a 5% significance level—to test the study's hypotheses. This dual approach allowed for both clear depiction of data patterns and robust examination of the effects of procurement practices on organizational performance. The following regression model was used to investigate effect of procurements practices and organizational performance in NGOs in Kiambu County.

$$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \varepsilon_1$$

Where

Y is NGO performance;  $\beta_0$  = constant (coefficient of intercept);

$X_1$  = competitive bidding;

$X_2$  = single sourcing

$\varepsilon$  = Error Term;

$B_1, B_2$ , = regression coefficient of four variables

## 4.1. Findings and Discussion

This section reports the analysis of data from 123 senior staff of 41 donor-funded NGOs in Kiambu County to assess how procurement practices influence organizational performance. Of the 123 questionnaires distributed, 105 were returned (an 87.2% return rate), with 92 deemed usable—yielding an effective response rate of 81.0%. This exceeds the 70% threshold for very good response rates (Mugenda & Mugenda, 2013) and the 60% benchmark for analytical reliability (Cooper & Schindler, 2014).

### 4.1.1. Demographic Information

The demographic profile of the 92 usable respondents from donor-funded NGOs in Kiambu County reveals a highly educated and experienced sample: nearly half held undergraduate degrees (49.5%), over a quarter had diplomas (27.6%), and the remainder possessed postgraduate qualifications (22.9%). Organizational tenure was varied, with one-third each operating for 6–10 years and 11–15 years, while 19% had been active for more than 15 years and 14.3% for under five years—capturing both emerging and established NGOs. In terms of size, 40% of organizations employed 1–10 staff, 23.9% had 11–20 employees, and 36.2% exceeded 20 employees, indicating a predominance of small to medium-sized entities. Finally, respondents themselves exhibited a wide range of tenure within their NGOs: 41.9% had over a decade of service, 18.1% had 6–10 years, and 40% had 1–5 years, ensuring insights from both long-standing and newer practitioners.

*Table 1: Demographic information*

		Frequency	Percent
Educational level	Diploma	29	27.6
	Undergraduate Degree	52	49.5
	Postgraduate (e.g PGD, Masters or PhD)	24	22.9
	Total	105	100
Organization years of operation	1-5 years	15	14.3
	6-10 years	35	33.3
	11-15 years	35	33.3
	Over 15 years	20	19
	Total	105	100
Number of employees	1-10	42	40
	11-20	25	23.9
	Above 20	38	36.2
	Total	105	100
Years worked in the NGO	1-5	42	40
	6-10	19	18.1
	Above 10	44	41.9
	Total	105	100

*4.1.2. Descriptive Statistics*

The performance assessment of donor-funded NGOs in Kiambu County revealed a moderate overall score ( $M = 3.29$ ,  $SD = 0.96$ ), with the strongest results in preventing project delays through effective procurement ( $M = 3.75$ ,  $SD = 1.03$ ), timely completion of donor-funded projects ( $M = 3.66$ ,  $SD = 1.55$ ), beneficiary satisfaction ( $M = 3.55$ ,  $SD = 1.37$ ), and efficient fund allocation ( $M = 3.56$ ,  $SD = 1.43$ ). However, there was considerable variability across organizations, and two areas scored below the acceptable threshold: alignment of procurement decisions with optimal resource use and donor guidelines ( $M = 2.55$ ,  $SD = 1.02$ ) and the ability of procurement practices to ensure high-quality service delivery ( $M = 2.65$ ,  $SD = 1.31$ ). These findings suggest that, while many NGOs excel in managing timelines and stakeholder satisfaction, they must strengthen procurement governance, improve adherence to donor requirements, and enhance service-delivery quality to achieve more consistent and higher overall performance.

*Table 2: Descriptive Statistics for Performance of Donor-Funded NGOs*

	Mean	Std. Dev
Our organization ensures high-quality service delivery through effective procurement practices.	2.65	1.31
Beneficiaries are satisfied with the quality of services provided by donor-funded projects.	3.55	1.37
Projects funded by donors are completed within the stipulated timeframes.	3.66	1.55
Our organization effectively manages procurement processes to prevent delays in project implementation.	3.75	1.03

Donor funds are allocated efficiently to maximize project impact.	3.56	1.43
Procurement decisions in our organization align with optimal resource utilization and donor guidelines.	2.55	1.02
<b>Performance of donor-funded NGOs in Kiambu County</b>	<b>3.29</b>	<b>0.96</b>

Table 3 presents the descriptive statistics for competitive bidding practices among donor-funded non-government organizations (NGOs) in Kiambu County. Overall, donor-funded NGOs in Kiambu County exhibit only moderate uptake of competitive bidding ( $M = 2.98$ ,  $SD = 1.08$ ). Compliance with procurement regulations emerges as the strongest dimension ( $M = 3.42$ ,  $SD = 1.38$ ), with just over two-fifths of respondents strongly agreeing that unethical practices are prevented, though uneven scores point to inconsistent application. Public tender advertisement scored a mean of 3.23 ( $SD = 1.33$ ), with roughly one-third indicating satisfaction and a similar share expressing dissatisfaction. Clarity of bid evaluation criteria averaged 3.20 ( $SD = 1.35$ ), yet about half of respondents disagreed that criteria were clearly communicated. Equal opportunity for suppliers registered at 3.04 ( $SD = 1.44$ ), though nearly half perceived bias in supplier participation. Cost-effectiveness through competition was lower ( $M = 2.67$ ,  $SD = 1.23$ ), as most respondents challenged the ability to secure best value for money. Finally, systematic evaluation of awarded tenders was weakest ( $M = 2.31$ ,  $SD = 1.45$ ), with close to two-thirds noting that such reviews rarely occur. These findings highlight solid regulatory compliance and pockets of transparency but reveal critical gaps in fairness, efficiency, and ongoing tender performance evaluation.

**Table 3: Descriptive Statistics for Competitive Bidding**

	Mean	Std. Dev
The procurement process in my organization ensures that all tenders are publicly advertised and accessible to all eligible suppliers.	3.23	1.33
The criteria for bid evaluation and selection are clearly defined and communicated to all bidders.	3.20	1.35
All suppliers and contractors have an equal opportunity to participate in the tendering process without bias or favoritism.	3.04	1.44
The tendering process in my organization strictly follows procurement regulations to prevent unethical practices such as bid-rigging and collusion.	3.42	1.38
Competitive tendering in my organization helps in obtaining the best value for money by ensuring cost-effective procurement of goods and services.	2.67	1.23
The organization regularly evaluates the cost-effectiveness of awarded tenders to ensure budget optimization	2.31	1.45
<b>Competitive bidding</b>	<b>2.98</b>	<b>1.08</b>

Table 3 presents the descriptive statistics for single sourcing practices among donor-funded non-government organizations (NGOs) in Kiambu County. The overall mean of 3.53 indicates a relatively strong adoption of single sourcing practices, yet notable variation exists across dimensions. Vulnerability to supplier disruptions scored highest (4.22), highlighting widespread concern over dependency risks. Both reliance on a single supplier and increased procurement costs share a mean of 3.55, suggesting NGOs recognize the strategy's convenience but also its cost implications. Cost savings and ability to negotiate favorable terms both average 3.38, reflecting mixed experiences: while some organizations secure better prices, others do not realize expected efficiencies. Bargaining-power limitations is weakest (3.09), pointing to negotiation challenges when competition is absent. These findings suggest that, although single sourcing offers benefits like streamlined procurement and potential cost reductions, it exposes NGOs to significant risks and uneven outcomes. To balance these trade-offs, NGOs should develop supplier-diversification plans, implement robust risk-management protocols, and strengthen negotiation strategies to ensure reliability without forfeiting competitive leverage.

**Table 4:** *Descriptive Statistics for Single Sourcing*

	Mean	Std. Dev
Our organization heavily relies on a single supplier for critical goods and services.	3.55	1.43
Single sourcing has increased our organization's vulnerability to supplier disruptions.	4.22	1.24
Single sourcing has led to higher procurement costs due to a lack of competition.	3.55	1.14
Our organization benefits from cost savings through long-term agreements with a single supplier.	3.38	1.51
Our organization has limited bargaining power when negotiating contracts with a single supplier.	3.09	1.07
Single sourcing allows our organization to establish more favorable contract terms with suppliers	3.38	1.19
<b>Single Sourcing</b>	<b>3.53</b>	<b>0.72</b>

#### *4.1.2. Correlation Analysis*

The findings from Table 4.9 revealed significant positive relationships between the performance of donor-funded NGOs and each procurement practice at the 0.01 significance level. Competitive bidding recorded the strongest positive correlation with performance ( $r = 0.686$ ,  $p < 0.01$ ), suggesting that greater emphasis on competitive bidding practices is associated with improved organizational efficiency and outcomes. Single sourcing was also positively and significantly associated with performance ( $r = 0.640$ ,  $p < 0.01$ ). This finding indicates that, despite potential risks, when carefully managed, reliance on single suppliers can streamline procurement processes and support efficiency, particularly in specialized service areas. It highlights the potential benefits of building strong, long-term supplier relationships in critical operational areas.

**Table 5: Correlation Analysis**

		Performanc e of donor- funded NGOs	Competitiv e bidding	single sourcin g
Performance of donor-funded NGOs	Pearson			
	Correlation	1		
	Sig. (2-tailed)	0.000		
Competitive bidding	Pearson			
	Correlation	.686**	1	
	Sig. (2-tailed)	0.000		
single sourcing	Pearson			
	Correlation	.640**	.626**	1
	Sig. (2-tailed)	0.000	0.000	

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

#### 4.1.3. Regression Analysis

Table 5 presents the model summary statistics for the regression analysis. The results show that the predictors—Single Sourcing and Competitive Bidding—collectively explained 61.1% of the variance in the performance of donor-funded NGOs in Kiambu County ( $R^2 = 0.611$ ), with an Adjusted  $R^2$  of 0.598. This indicates that procurement practices included in the model significantly contribute to explaining differences in performance among the organizations studied. The ANOVA results presented in Table 4.11 indicate that the joint prediction of the procurement practices—Competitive Bidding and Single Sourcing—on the performance of donor-funded NGOs in Kiambu County was statistically significant ( $F = 48.327$ ,  $p < .001$ ). This result suggests that the model provides a good fit and that these procurement practices collectively explain a significant portion of the variance in the performance of donor-funded NGOs in Kiambu County.

The findings revealed that competitive bidding had the strongest positive and statistically significant effect ( $\beta = 0.312$ ,  $p = 0.000$ ). This suggests that for every unit increase in competitive bidding practices, the performance of donor-funded NGOs improves by approximately 0.312 standard deviations, holding other factors constant. The t-statistic ( $t = 3.914$ ) further confirms the significance of this relationship. These findings align with studies by Njiro (2023), who emphasized that effective procurement practices based on the 5Rs (right goods, right time, right place, right quantity, right price) significantly enhance accountability and cost-effectiveness. Similarly, Issah and Eric (2024) established that competitive tendering reduces transactional costs, promoting procurement performance. Maraka and Osoro (2024) highlighted that competitive bidding improves service delivery in county governments, while Masudio (2021) demonstrated that fair tendering practices foster transparency and inclusivity. However, Linda and Yormesro (2024) warned that bureaucratic inefficiencies can still undermine competitive tendering benefits, suggesting the need for strengthening procurement personnel and systems.

The regression results indicated a positive and significant effect ( $\beta = 0.205$ ,  $p = 0.010$ ). This means that an increase in effective single sourcing practices is associated with a

0.205 standard deviation increase in organizational performance, holding other factors constant. The corresponding t-value ( $t = 2.605$ ) supports the reliability of this finding. While Sheta (2024) noted that single sourcing might sometimes negatively affect performance when improperly used, Oloiptip (2023) and Onyimbo and Moronge (2018) observed that under specific conditions, single sourcing can enhance efficiency by reducing lead times and fostering supplier reliability. Kamau and Wanjiru (2022), however, cautioned that overreliance on single sourcing can lead to supplier dependency and decreased competition, implying that while beneficial in emergencies, careful supplier evaluation and monitoring are necessary for long-term sustainability.

**Table 6: Regression Analysis**

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	0.402	0.206		1.950	0.053
Competitive bidding	0.317	0.081	0.312	3.914	0.000
Single sourcing	0.199	0.076	0.205	2.605	0.010
<b>Model Summary</b>					
R	.782a				
R Square	0.611				
Adjusted R Square	0.598				
Std. Error of the Estimate	0.564				
<b>ANOVA for goodness of fit</b>					
F	48.327				
Sig.	0.000				

a Dependent Variable: performance of donor-funded NGOs in Kiambu County

## 5.1. Conclusion

Based on the findings, the study concludes that competitive bidding is a key factor in improving the performance of donor-funded NGOs in Kiambu County. Competitive bidding enhances service delivery by enabling transparency, ensuring fairness in the procurement process, and promoting cost-efficiency. It facilitates better access to suppliers, increases competition, and reduces transaction costs. However, concerns such as bureaucratic inefficiencies and lack of adequate procurement personnel must be addressed to fully optimize its benefits. The study also finds that single sourcing plays a significant role in enhancing procurement efficiency in certain contexts. It offers speed and flexibility, particularly in emergency procurement situations, and can reduce lead times by simplifying the procurement process. However, single sourcing may also lead to risks such as supplier dependency and reduced competition, making it essential to manage it carefully and ensure rigorous supplier evaluations.

## 6.1. Recommendations

Based on the findings of the study, it is recommended that NGOs in Kiambu County enhance their competitive bidding processes to improve performance. Competitive bidding has been shown to have the strongest impact on performance, promoting efficiency and accountability in procurement. To achieve these outcomes, NGOs should invest in training procurement staff to handle competitive bidding more effectively and ensure strict adherence to procurement regulations. Additionally, NGOs should foster

transparency and fairness in the bidding process to minimize biases and promote competition, which ultimately leads to better service delivery.

The study also suggests that single sourcing can play a significant role in improving procurement efficiency for donor-funded NGOs. However, it is recommended that single sourcing be used selectively and under well-defined circumstances, such as emergencies or when specialized goods or services are required. NGOs should implement robust supplier evaluation criteria to avoid supplier dependency and mitigate risks associated with reduced competitiveness. Regular monitoring and evaluation of single-sourcing processes can ensure that it contributes to organizational performance without compromising long-term procurement objectives.

### **7.1. Recommendations Further Research**

The present study has offered valuable insights into the impact of procurement practices on the performance of donor-funded NGOs in Kiambu County, specifically focusing on two key procurement strategies: competitive bidding, single sourcing. To gain a more comprehensive understanding of how these procurement practices affect healthcare operations, future research should explore additional procurement methods, particularly within the context of NGOs. This could include examining the role of innovative procurement technologies or alternative strategies that may further enhance efficiency and service delivery. Moreover, the study's focus on donor-funded NGOs in Kiambu County, Kenya, may limit the broader applicability of the findings. While the results provide valuable insights into the local context, their generalizability to other regions or types of NGOs may be restricted. Therefore, to strengthen the external validity of these findings, future research should expand the analysis to include donor-funded NGOs across different counties in Kenya or even across different countries. This broader approach would allow for a more diverse set of data and a better understanding of how procurement practices impact NGO performance in varying contexts.

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