



**EFFECT OF ELECTRONIC TENDERING ON SUPPLY  
CHAIN PERFORMANCE OF THE COUNTY  
GOVERNMENT OF HOMA-BAY, KENYA**

**Jared Onyango Otieno** 

MBA, Faculty of Business and Economics, Tom Mboya University College, Hoamabay, Kenya  
lweendo123@gmail.com

**Victor Lusala Aliata**

Lecturer, Faculty of Business and Economics, Tom Mboya University College, Homabay, Kenya

**Peterson Midida**

Lecturer, Faculty of Business and Economics, Tom Mboya University College, Homabay, Kenya

**Abstract**

*Electronic tendering is the use of electronic method to conduct procurement functions which entail tendering process. It is rapidly supporting organizational structure transformation and coordination of the business relationships. In Kenya, statistics show that out of 100 organizations implementing electronic tendering, 25% fail in the same. There is thus a challenge still encountered despite the developments in electronic tendering. In addition, there are very few studies conducted with regard to the electronic tendering. The study therefore sought to establish effects of electronic tendering on supply chain performance of the county government of Homa-Bay, Kenya. The study was based on the theories of disruptive innovation, and technology acceptance. A correlational research design was adopted. Target population of the study was 400 staff based on the 10 departments of the county government of HomaBay. Simple random sampling was used to sample 196 respondents while 30 questionnaires were piloted which were excluded from the main study to iron out any ambiguities, tested and purged using the SPSS. Cronbach Alpha technique for reliability with threshold of 0.705 indicated that the instrument is reliable and, content and construct validity confirmed that the instrument was*

*also valid. Descriptive and inferential statistics were used to analyzed quantitative data while verbatim reports and transcriptions were used to analyze qualitative data. The study revealed that electronic tendering had positive and significant effect on supply chain performance and accounted for significant variance, ( $\beta=.809$ ,  $R^2=.654$ ,  $p=.000$ ). These findings imply that electronic tendering has a positive and significant effect on supply chain performance. The study recommends that the county Government carries out electronic tendering awareness to enhance the understanding and practices and thereby improve supply chain performance.*

*Keywords: Electronic tendering, Supply chain, Performance, County government, Procurement*

## **INTRODUCTION**

Supply chain performance refers to the extended supply chain's activities in meeting end-customer requirements, including product availability, on-time delivery, and all the necessary inventory and capacity in the supply chain to deliver that performance in a responsive manner (Wong & Wong, 2007). Supply chain performance refers to the evaluation of supply chain management, and includes both tangible (for example cost) and intangible (for example capacity utilization) factors (Kaplan & Norton, 2004).

Moreover, supply chain performance crosses company boundaries since it includes basic materials, components, subassemblies and finished products, and distribution through various channels to the end customer. It also crosses traditional functional organization lines such as procurement, manufacturing, distribution, marketing & sales, and research and development. During the first decade of the new millennium, public procurement greatly benefited from the diffusion of electronic procurement (Gardenal, 2013). According to Gardenal(2013), specific set of technologies and organizational solution have been introduced worldwide, particularly granting public authorities the possibility to manage tendering procedures and auctions online. Similarly, as what have already been witnessed in the private sector, the initial implementation of public e- procurement solution has been saluted with a great hype (Gardenal, 2013). Globally, electronic procurement is one of the recognized procurement best practices. It plays a central role to the performance of the procurement function and that of the organization because other best practices like green purchasing, partnering, Total Quality management (TQM), Just-In-Time (JIT) and risk management apply the concept of electronic procurement or Information Communication Technology (ICT) applications.

In Africa, the concept of electronic tendering is just gaining popularity especially in the public sector to deal with the problems of lack of accountability and transparency in procurement activities in the public sector, electronic procurement platforms have scored highly