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Solomon Kyalo Mutangili

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Abstract

This study examined Kenya's public procurement laws under the supply chain, focusing on their design, implementation, and effectiveness in promoting transparency, competitiveness, and sustainability. Anchored in the Public Procurement and Asset Disposal Act (PPADA) 2015 and supported by complementary statutes such as the Public Finance Management Act 2012, the Public-Private Partnerships Act 2013, and the Access to Government Procurement Opportunities (AGPO) framework, the legal regime aims to align procurement processes with constitutional requirements and national development priorities. Using a positivist research philosophy and cross-sectional survey design, data was collected from 667 top management personnel across 52 commercial state corporations. Findings indicate high awareness of procurement laws and significant adoption of affirmative action measures, yet enforcement effectiveness remains moderate. The study also identified challenges, including weak enforcement, bureaucratic delays, political interference, and limited integration of sustainability performance metrics. While the framework has standardized procurement processes and improved SME participation, gaps in monitoring and operationalization of sustainability objectives persist. The study concludes that strengthening oversight, simplifying procedures, and institutionalizing sustainability assessment tools are essential to fully realize the transformative potential of procurement laws in driving sustainable economic, social, and environmental outcomes in Kenya's public supply chain system.

Keywords: *Public Procurement, Supply Chain Management, Public Procurement and Asset Disposal Act (PPADA) 2015, Access to Government Procurement Opportunities (AGPO).*

1.1 Introduction

Public procurement law is a critical component of Kenya's governance and economic framework, serving as the legal backbone for the acquisition of goods, services, and works by public entities. Anchored primarily in the Public Procurement and Asset Disposal Act (PPADA) 2015, it establishes principles of transparency, fairness, competition, and cost-effectiveness in the procurement process (PPADA, 2015). This legislation is complemented by

related statutes such as the Public Finance Management Act (PFMA) 2012, the Public-Private Partnerships Act 2013, and the Access to Government Procurement Opportunities (AGPO) framework, each addressing specific facets of procurement governance. The legal regime is further reinforced by constitutional provisions, particularly Article 227, which mandates equitable, transparent, and cost-effective procurement procedures (Constitution of Kenya, 2010). Together, these instruments aim to ensure that public procurement is not merely a transactional process but a strategic lever for economic development and social equity (Khakata, 2017; Thiankolu, 2019).

Over the last decade, Kenya's procurement laws have evolved to integrate broader policy objectives, including affirmative action, SME development, and anti-corruption safeguards. For instance, AGPO requires procuring entities to reserve 30% of contracts for enterprises owned by women, youth, and persons with disabilities, reflecting both socio-economic inclusion and compliance with sustainability principles (PPADA, 2015; AGPO, 2022). Additionally, the establishment of oversight institutions such as the Public Procurement Regulatory Authority (PPRA) ensures that compliance monitoring, capacity building, and dispute resolution are institutionalized (Ghossein, Hoekman & Shingal, 2018). These laws collectively embed accountability and integrity into the procurement system, thereby enhancing public trust in state expenditure.

The implementation of public procurement law in Kenya is structured through a defined process encompassing planning, tendering, evaluation, award, and contract management, each regulated by explicit provisions in the PPADA. Procurement units within public entities are mandated to uphold statutory requirements, while procurement review boards offer avenues for redress in cases of irregularities (Contract Act, 2019). This structured framework mitigates risks such as favoritism, collusion, and inefficiency, aligning with global best practices advocated by the Organisation for Economic Co-operation and Development (OECD, 2017). Notably, legal provisions also emphasize the use of contract law to enforce sustainability standards in supplier agreements, thereby linking procurement decisions directly to long-term developmental goals (Vellapi, 2019).

Kenya's procurement legislation, while robust on paper, faces practical challenges in enforcement and compliance. Issues such as bureaucratic delays, capacity gaps among procurement officers, and instances of political interference have, at times, undermined the intended objectives of the law (Njuguna, 2017; Onyango & Ondiek, 2021). Despite these challenges, the legal framework remains a cornerstone for regulating public expenditure and safeguarding public interest. Strengthening enforcement mechanisms, enhancing professional training, and embracing digital procurement solutions are increasingly recognized as critical steps toward optimizing the role of procurement law in promoting transparency, accountability, and sustainable development within Kenya's supply chain system (World Bank, 2020; Cravero, 2019).

1.2 Problem Statement

Despite Kenya's comprehensive public procurement legal framework, significant gaps persist in its practical application, undermining its potential to enhance supply chain efficiency and promote sustainable development. Weak enforcement mechanisms, bureaucratic inefficiencies, and systemic corruption have hindered the realization of transparency, fairness, and competitiveness envisioned in the Public Procurement and Asset Disposal Act 2015 (Njuguna, 2017; Onyango & Ondiek, 2021). Affirmative action measures, such as the 30% contract reservation under AGPO for women, youth, and persons with disabilities, often face inconsistent implementation due to limited capacity, political interference, and inadequate monitoring (AGPO, 2022). Furthermore, procurement processes are frequently driven by the

“lowest cost” criterion, which can compromise quality, stifle innovation, and neglect long-term socio-economic and environmental benefits (World Bank, 2020). These challenges highlight the need for a more effective integration of public procurement laws with enforcement, capacity building, and sustainability priorities to fully realize their transformative potential within Kenya’s supply chain system (Cravero, 2019; Ghossein, Hoekman & Shingal, 2018).

1.3 Research Objective

To determine the public procurement laws under supply chain in Kenya

1.4 Literature Review

1.4.1 Theoretical Review

Institutional Theory provides a compelling lens for examining Kenya’s public procurement laws within the supply chain, as it emphasizes the role of formal rules, norms, and cultural expectations in shaping organizational behavior. According to Meyer and Rowan (1977) and DiMaggio and Powell (1983), organizations adopt structures and practices not only for efficiency but also to gain legitimacy and social acceptance within their institutional environment. In the context of Kenya, coercive pressures arise from binding legal mandates such as the Public Procurement and Asset Disposal Act 2015 and the Public Finance Management Act 2012, which compel public entities to comply with transparency, fairness, and accountability standards. Normative pressures stem from professional standards set by bodies like the Kenya Institute of Supplies Management (KISM), while mimetic pressures emerge as entities model their procurement practices on international best practices, such as those promoted by the OECD and World Bank. These pressures collectively influence the adoption and enforcement of procurement laws, ensuring alignment with both statutory requirements and societal expectations for ethical and sustainable procurement.

A key strength of Institutional Theory is its ability to explain why robust legal frameworks may still face implementation challenges. In Kenya, entrenched bureaucratic cultures, political interference, and capacity limitations can lead to symbolic compliance—where procurement laws are formally adopted but not fully operationalized in practice (Scott, 2014). This insight underscores the importance of not only drafting comprehensive procurement legislation but also fostering an institutional culture that prioritizes compliance, transparency, and sustainability. Institutional reforms, professional training, and strong oversight mechanisms are therefore essential to translate legal provisions into actual improvements in procurement outcomes. By applying Institutional Theory, this study situates Kenya’s procurement laws within the broader socio-political and regulatory context, highlighting that legal reforms must be complemented by cultural and institutional change to achieve sustainable economic, social, and environmental impact (Tolbert & Zucker, 1996; Greenwood et al., 2008).

1.4.2 Empirical Review

Public procurement laws under the supply chain have been extensively studied globally, with varying emphases on transparency, competition, and socio-economic development outcomes. In the United Kingdom, the Public Contracts Regulations 2015—formerly aligned with EU directives—have been credited with promoting fair competition and embedding social value considerations into procurement processes (Crown Commercial Service, 2020). Studies show that these laws improved supplier diversity and strengthened sustainability reporting requirements, although Brexit has prompted reforms aimed at streamlining procurement procedures and boosting local supplier participation (Jääskeläinen & Tukiainen, 2019). Similarly, in Canada, the Financial Administration Act and the Green Procurement Policy mandate open competition and integrate environmental performance criteria, leading to

measurable reductions in government procurement's carbon footprint (Treasury Board of Canada Secretariat, 2021). These examples demonstrate that well-designed procurement laws can effectively drive both efficiency and sustainability in supply chain systems.

In Africa, public procurement reforms have sought to address governance deficits while fostering inclusive economic growth. South Africa's Preferential Procurement Policy Framework Act provides for targeted support to historically disadvantaged suppliers, increasing their share in public contracts (Ambe & Badenhorst-Weiss, 2019). Nigeria's Public Procurement Act 2007 established the Bureau of Public Procurement, which has improved compliance levels and reduced bid-rigging in certain sectors, though challenges with corruption and limited institutional capacity persist (Ekeocha, 2018). Studies indicate that African countries that have implemented electronic procurement systems—such as Rwanda—have achieved higher transparency and reduced administrative costs (World Bank, 2020). These findings suggest that robust legislation, combined with digital systems and capacity building, enhances procurement performance across governance contexts.

Kenya's public procurement legal framework is anchored in the Public Procurement and Asset Disposal Act 2015, which replaced the 2005 legislation to align with constitutional requirements and international best practices. Empirical research shows that the PPADA has strengthened transparency through competitive bidding procedures and improved access to opportunities for SMEs, particularly via the AGPO program (Gichuru, 2018). However, enforcement remains inconsistent, and cases of non-compliance—such as direct procurement without proper justification—have been reported (EACC, 2021). Studies by Onyango and Ondiek (2021) reveal that procurement entities often prioritize cost over quality, undermining long-term value for money and sustainable development objectives. These findings highlight a critical gap between the law's intentions and its implementation.

Sector-specific studies in Kenya demonstrate that procurement laws have had mixed impacts on supply chain efficiency. For example, in the construction sector, PPADA provisions on competitive tendering and contract management have improved project delivery timelines in some state corporations but have also been criticized for procedural delays caused by lengthy administrative approvals (Ndolo, 2018). In the health sector, procurement regulations have facilitated bulk purchasing of essential medicines, reducing costs, but inadequate supplier vetting has occasionally led to stockouts and quality concerns (Muasya, 2020). Such sectoral evidence underscores the need for tailored enforcement strategies that address industry-specific procurement challenges while preserving the integrity of legal requirements.

International studies also provide valuable lessons for Kenya on enhancing the effectiveness of procurement laws. In South Korea, the Korea On-line E-Procurement System (KONEPS) has centralized all public procurement processes, resulting in reduced transaction costs, minimized corruption risks, and increased SME participation (OECD, 2016). Similarly, ChileCompra, Chile's e-procurement platform, has improved transparency and allowed citizens to monitor procurement activities in real time (Petersen, 2018). The success of these systems illustrates how digitalization can complement legal frameworks by enhancing compliance, efficiency, and public accountability.

Empirical evidence consistently shows that the effectiveness of procurement laws depends not only on the comprehensiveness of the legislation but also on the capacity of institutions to enforce them. In Kenya, studies by Cravero (2019) and the World Bank (2020) recommend strengthening monitoring and evaluation mechanisms, expanding training for procurement professionals, and leveraging technology to ensure compliance. The Kenyan experience aligns with the global consensus that procurement laws, when supported by institutional capacity,

digital platforms, and stakeholder engagement, can serve as powerful tools for promoting transparency, efficiency, and sustainable development in public supply chains.

1.5 Research Methodology

This study adopted a positivist research philosophy and a cross-sectional survey design to examine public procurement laws under the supply chain in Kenya. The target population comprised top management teams from 52 commercial state corporations, with a sample of 667 respondents selected using stratified random sampling to ensure representation across sectors. Primary data was collected through structured, self-administered questionnaires focusing on legal frameworks, compliance practices, and enforcement challenges. The instrument's validity was confirmed through expert review, while reliability was assessed using Cronbach's Alpha. Quantitative data was analyzed using the Statistical Package for Social Sciences (SPSS), employing descriptive statistics such as means, standard deviations, and percentages to summarize findings.

1.6 Results and Findings

Kenya's public procurement system is primarily governed by the Public Procurement and Asset Disposal Act (PPADA) 2015, which operationalizes Article 227 of the Constitution of Kenya, 2010. The Act provides a standardized framework that promotes fairness, equity, transparency, competition, and cost-effectiveness in procurement processes (PPADA, 2015). It outlines the responsibilities of procuring entities, prescribes procedures for tendering, and establishes oversight mechanisms such as the Public Procurement Administrative Review Board (PPARB) to handle disputes. The law applies to all public entities at the national and county levels, ensuring a uniform approach to procurement across government institutions. Findings from the study revealed that 86% of surveyed procurement professionals reported high awareness of the PPADA provisions, suggesting that legal knowledge is not a primary barrier to compliance.

The PPADA also emphasizes accountability in the procurement cycle by requiring detailed documentation, public disclosure of tender awards, and adherence to professional ethical standards. The Public Procurement Regulatory Authority (PPRA) plays a critical role in enforcing these requirements, conducting audits, and offering advisory services to enhance compliance. Respondents noted that the standardization of processes under the PPADA has reduced irregularities in tender evaluation and award, thereby improving transparency. Nonetheless, they observed that compliance often varies by institution, with better adherence in agencies with stronger internal procurement units and leadership commitment to good governance (World Bank, 2020).

1.6.1 Key Legal and Policy Documents

Beyond the PPADA 2015, Kenya's procurement environment is reinforced by several complementary laws and policy instruments. The Public Finance Management Act (PFMA) 2012 sets out broader fiscal governance rules, ensuring that public funds—including those used for procurement—are managed prudently. The Public-Private Partnerships Act 2013 regulates collaboration between the public and private sectors in delivering infrastructure and services, while the Access to Government Procurement Opportunities (AGPO) program operationalizes constitutional affirmative action by reserving 30% of public contracts for enterprises owned by women, youth, and persons with disabilities (AGPO, 2022). This multi-layered legislative approach ensures that procurement law is integrated into the country's economic empowerment and sustainability agendas.

Policy documents have also shaped procurement practice in Kenya. The Sustainable Procurement Guidelines (2018) provide criteria for integrating environmental, social, and

economic sustainability into procurement decisions, while sector-specific regulations—such as those in construction, energy, and health—set tailored requirements for specialized procurement needs. Survey findings revealed that 79% of respondents referred to at least two procurement-related laws or policies in their daily work, indicating that procurement professionals operate within a dense regulatory environment. However, some respondents cautioned that the multiplicity of legal instruments can create overlaps and ambiguities, occasionally leading to procedural delays or disputes in interpretation (Ghossein, Hoekman & Shingal, 2018).

1.6.2 Role of Public Procurement in Supply Chain Sustainability

Kenya's procurement laws embed sustainability considerations by mandating value-for-money assessments that extend beyond initial cost to include lifecycle analysis, environmental impact, and social inclusion. The PPADA directs procuring entities to consider sustainability criteria in tender specifications, while AGPO provisions advance social equity by enhancing the participation of marginalized groups in public supply chains (PPADA, 2015). The study found that 74% of respondents agreed procurement laws significantly influence sustainable supply chain practices, with reported benefits including increased SME participation, local content development, and adoption of greener technologies.

However, while sustainability principles are enshrined in legislation, their operationalization is uneven. Many entities lack standardized sustainability performance metrics, making it difficult to track compliance or measure long-term impacts. Respondents suggested that clearer guidelines on sustainability assessment—alongside capacity building for procurement officers—would strengthen the link between legal provisions and tangible environmental or social benefits. This aligns with global trends in procurement reform, where countries such as the UK and Canada have successfully institutionalized sustainability reporting and monitoring in procurement systems (Vellapi, 2019; Cravero, 2019).

1.6.3 Challenges and Gaps in Public Procurement Laws

Despite its comprehensiveness, Kenya's procurement legal framework faces persistent implementation challenges. Weak enforcement mechanisms undermine compliance, as penalties for violations are not always applied consistently. Bureaucratic delays in approvals and tender evaluations also discourage efficiency, with 38% of respondents indicating that slow administrative processes have negatively impacted project timelines. Political interference—reported by 42% of respondents—remains a significant concern, as it compromises fairness and transparency in awarding contracts (Njuguna, 2017; Onyango & Ondiek, 2021).

Another gap lies in the insufficient integration of sustainability performance indicators into contract monitoring and evaluation. While environmental and social clauses may be included in tender documents, follow-up to ensure compliance is often inadequate. Respondents noted that without robust monitoring mechanisms, suppliers may revert to unsustainable practices once contracts are awarded. Moreover, the complexity and volume of procurement regulations can overwhelm smaller procuring entities, leading to procedural errors that risk non-compliance. These challenges highlight the need for targeted reforms to simplify legal provisions, strengthen oversight, and institutionalize sustainability metrics across procurement cycles.

1.6.4 Descriptive Statistics

Quantitative analysis provided additional insights into the implementation of procurement laws under the supply chain in Kenya. Respondents' familiarity with procurement legislation recorded a high mean score of 4.31 on a five-point Likert scale, indicating strong legal

awareness. Implementation of AGPO provisions scored 4.00, reflecting substantial but not universal adoption of affirmative action measures. Integration of sustainability clauses in procurement contracts achieved a mean score of 3.85, while enforcement effectiveness scored lower at 3.62, signaling persistent challenges in applying the law consistently. Standard deviations for these indicators ranged from 0.58 to 0.92, suggesting moderate variation in responses, particularly in enforcement and sustainability integration. This variation implies that while some entities excel in compliance and sustainability implementation, others lag significantly, often due to limited capacity or weak institutional oversight. The statistical results reinforce the qualitative findings, highlighting that Kenya's procurement laws are well-known and partially implemented but require stronger enforcement, improved monitoring, and capacity building to fully achieve their intended impact (World Bank, 2020; PPADA, 2015).

1.7 Conclusions

The findings demonstrate that Kenya's public procurement laws, anchored in the PPADA 2015 and supported by complementary statutes and policies, provide a robust framework for ensuring transparency, fairness, and competitiveness in the supply chain. These laws have positively influenced procurement standardization, SME inclusion, and the integration of sustainability principles, particularly through initiatives such as AGPO and the Sustainable Procurement Guidelines. Nonetheless, gaps in enforcement, bureaucratic inefficiencies, political interference, and the limited operationalization of sustainability metrics continue to undermine their full potential. While legal awareness among procurement professionals is high, consistent application and monitoring remain critical for translating legislative intent into tangible economic, social, and environmental outcomes. Strengthening oversight mechanisms, simplifying procedures, and institutionalizing performance measurement frameworks are therefore essential to enhance the effectiveness of procurement laws in driving sustainable supply chain management in Kenya.

1.8 Recommendations

To enhance the effectiveness of Kenya's public procurement laws under the supply chain, several targeted measures are recommended. First, strengthen enforcement mechanisms by empowering the Public Procurement Regulatory Authority (PPRA) with greater investigative and sanctioning capacity to ensure consistent application of the PPADA 2015 across all public entities. Second, simplify and harmonize procurement regulations to reduce procedural complexity and overlaps among multiple legal and policy instruments, thereby improving efficiency and compliance, particularly for smaller procuring entities. Third, institutionalize sustainability performance metrics within procurement processes by developing standardized tools for assessing and monitoring environmental, social, and economic impacts throughout the contract lifecycle. Fourth, build capacity among procurement professionals through continuous training on legal compliance, sustainability integration, and use of digital procurement platforms to improve transparency and reduce administrative delays. Finally, minimize political interference by reinforcing legal safeguards for procurement autonomy and promoting greater public access to procurement data through open contracting systems. Collectively, these interventions can bridge the gap between legal provisions and practical outcomes, enabling procurement laws to more effectively drive sustainable economic, social, and environmental benefits within Kenya's supply chain system.

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