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STRATEGIC SOURCING AND PROCUREMENT PERFORMANCE OF COUNTY GOVERNMENTS IN COASTAL REGION IN KENYA

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ABSTRACT

The objective of this study was to establish the Influence of Strategic Sourcing as a Strategic Procurement Practice on the Procurement Performance of County Governments in the Coastal Region of Kenya. The Transaction Cost Economics (TCE) Theory guided the study. This study adopted a descriptive and explanatory research design and targeted population procurement professionals, supply chain managers, finance officers, and senior government officials directly involved in procurement activities within the six counties of Kenya's Coastal Region. These counties include Mombasa, Kwale, Kilifi, Tana River, Lamu, and Taita Taveta, which have been selected due to their significant procurement expenditures and diverse procurement requirements. A sample of 98 respondents from the six counties were used. Data was collected through questionnaires and data sheets. Both descriptive and inferential statistical methods were used to analyse the data which were then presented in tables and discussed. The study established that strategic sourcing significantly influences procurement performance in County Governments within Kenya's Coast Region. The study recommended that County Governments should institutionalize strategic sourcing frameworks that emphasize supplier evaluation, market analysis, and sustainability compliance.

Key Words: *Supplier Quality Compliance, Supplier Diversification, Sustainability Compliance*

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INTRODUCTION

Public procurement which is the process by which government entities acquire goods, services, and works from external sources, ensuring that public funds are utilized effectively and transparently, is critical in today's world as it accounts for a substantial portion of public expenditure, influencing economic growth, service delivery, and public trust. For instance, in the UK, public procurement represents a significant economic lever, with annual spending around £390 billion, presenting opportunities to address issues like stagnant wages and regional disparities through strategic purchasing (Sutton, 2023). Successes in public procurement include the promotion of small and medium-sized enterprises (SMEs) and social enterprises, fostering innovation and local economic development (UK Government, 2024). However, challenges persist, such as bureaucratic complexities, corruption, and limited access for smaller businesses. In Kenya, corruption in public procurement undermines economic development and public service delivery, necessitating reforms to enhance transparency and efficiency (Mutangili, 2019). Implementation gaps often arise from inadequate digital infrastructure and insufficient training of procurement personnel, hindering the adoption of efficient procurement practices. Policy gaps are evident in outdated regulations that fail to accommodate modern procurement methods and sustainability considerations.

In today's public sector, robust procurement performance is critical for enhancing service delivery, promoting economic development, and maintaining public trust (Mutangili, 2021). Procurement performance is the efficiency and effectiveness with which public sector organizations acquire goods and services, ensuring value for money, transparency, and timely delivery (Amemba et al., 2015). However, challenges such as inadequate procurement planning, lack of pre-qualification of suppliers, and failure to follow due process often hinder compliance with procurement regulations (Mutangili, 2021). In Kenya, political interference and insufficient use of information technology further complicate procurement processes (Badaso, 2014). Policy gaps include outdated legislation that does not adequately address modern procurement needs, while implementation gaps involve the lack of capacity building and training for procurement professionals (Mutangili, 2021). Addressing these issues requires comprehensive policy reforms and capacity-building initiatives to enhance procurement performance in the public sector.

Strategic procurement practices in public procurement align purchasing decisions with broader governmental and socio-economic objectives, ensuring efficiency, sustainability, and resilience in supply chains (Patrucco et al., 2024). In North America, the United States dedicates approximately $1.8 trillion annually to public procurement, driving economic growth through strategic policies like the "Buy Clean" initiative, which promotes sustainable procurement for materials like cement and steel (Hasanbeigi et al., 2021). The European Union, where public procurement constitutes about 16% of GDP, has focused on strengthening regional supply chains through policies that prioritize domestic production (Eckersley et al., 2023). The UK, with annual procurement spending exceeding £300 billion, integrates social value criteria, encouraging contracts that foster community development (Selviaridis et al., 2023).

Current research on strategic procurement practices highlights several key areas requiring further exploration. Conceptually, the alignment between procurement strategies and national policy goals remains under-theorized, with a need for more integrative models (Patrucco, Kauppi, Di Mauro, & Schotanus, 2024). Disagreements exist on whether centralized procurement enhances efficiency or limits supplier diversity, with mixed evidence across regions (Matas, Oplotnik, & Jagrič, 2025). Empirically, studies often focus on developed economies, with limited insights into emerging markets' procurement dynamics (Attarpour, Narimani, Elyasi, & Mohammadi, 2024). Knowledge gaps persist in understanding the long-term socio-economic impact of procurement reforms, particularly in relation to social value creation (Selviaridis, Luzzini, & Mena, 2023). Contextually, research on digital infrastructure adequacy, staff capacity and training, financial resource allocation, and organizational change management in procurement systems remains fragmented,

necessitating deeper investigations into these critical enablers (Ciuriak, 2024; Paraskeva & Tsoulfas, 2025). Addressing these gaps would facilitate more effective and sustainable procurement strategies globally.

In Ghana, public procurement serves as a significant economic development tool, driving growth, creating employment, and supporting local industries (Kyalo, 2024). Ethiopia's procurement practices focus on enhancing technology and innovation development within the construction industry, though challenges like bureaucratic inefficiencies remain (Mengistu et al., 2024). Tanzania has undergone various public procurement reforms to improve compliance and efficiency, yet issues such as limited technological capacity and bureaucratic inefficiencies persist (Mchopa et al., 2024). Rwanda's strategic procurement practices have shown a positive relationship with corporate performance, as evidenced by studies on organizations like Bralirwa Ltd (Irakoze & Akumuntu, 2024). Uganda's public procurement system faces challenges related to institutional pressures and procurement cycle time, with opportunistic behavior mediating these relationships (Olupot, 2023).

Common challenges across these nations include limited digital infrastructure, inadequate staff training, and resistance to change. Implementation issues often stem from insufficient technological infrastructure and a lack of skilled personnel to manage advanced procurement systems. Policy shortcomings are evident in outdated regulations that fail to address contemporary procurement methods and sustainability considerations. Research is needed to explore the impact of digital infrastructure adequacy, staff capacity building, organizational change management, and financial resource allocation on procurement effectiveness. Addressing these areas through comprehensive policy reforms, investment in digital infrastructure, and targeted training programs is essential to maximize the benefits of strategic procurement practices in Africa's public sector.

Strategic procurement practices in Kenya’s public sector aim to optimize procurement processes by aligning them with national development goals, enhancing efficiency, and ensuring value for money. Public procurement accounts for approximately 25-30% of government expenditure in developing economies, making it a critical tool for economic development (Kyalo, 2024). In Kenya, the enactment of the Public Procurement and Asset Disposal Act (PPADA) 2015 and the establishment of oversight institutions such as the Public Procurement Regulatory Authority (PPRA) sought to enhance procurement efficiency (Isaack, 2025). The implementation of the Public Procurement Information Portal (PPIP) and the Integrated Financial Management Information System (IFMIS) aimed at increasing transparency and efficiency in procurement. However, as of 2023, only 8.55% of procuring entities had uploaded their contracts to PPIP, signaling low compliance and transparency challenges (Public Financial Management Reforms Secretariat, 2021). Despite such initiatives, procurement inefficiencies remain prevalent, leading to financial wastage, procurement fraud, and delayed service delivery (Gatari, 2023). Kenya’s public procurement system must leverage strategic procurement practices such as supplier relationship management, category management, and e-procurement to enhance procurement performance (Wambui & Barasa, 2024).

Procurement in county governments in Kenya’s coastal region plays a crucial role in service delivery, economic development, and resource allocation. The counties in this region—Mombasa, Kilifi, Kwale, Tana River, Lamu, and Taita Taveta—rely heavily on procurement to facilitate infrastructure projects, healthcare services, and local economic growth. However, public procurement inefficiencies in these counties have resulted in significant financial losses. For example, the Auditor General’s 2023 report revealed that over Ksh 5 billion in procurement-related expenditures in the coastal counties lacked proper documentation or adherence to procurement regulations (Office of the Auditor General, 2023). The use of Integrated Financial Management Information System (IFMIS) has increased automation in procurement, yet adoption remains inconsistent due to technical inefficiencies and limited user training (Mugo, Magutu, & Akello, 2024). Additionally, supplier inclusivity remains a challenge, with small and medium enterprises (SMEs) securing less than 20% of county contracts, despite the legal requirement of 30% allocation under the Access to

Government Procurement Opportunities (AGPO) initiative (Wambui & Barasa, 2024). Addressing these issues requires policy enforcement, supplier capacity building, and the digitization of procurement processes.

Several research gaps persist in the study of procurement in county governments within the coastal region of Kenya. Conceptually, while procurement is viewed as a tool for economic development, studies rarely examine its direct impact on county-level socio-economic transformation (Kyalo, 2024). There is also a disagreement on the effectiveness of procurement policies; while some studies highlight improvements in transparency due to IFMIS, others argue that system failures and manipulation undermine its effectiveness (Isaack, 2025). Empirically, limited studies provide disaggregated data on procurement effectiveness at the county level, making it difficult to assess performance variations among coastal counties (Gatari, 2023). Knowledge gaps exist in understanding the influence of political interference and corruption on procurement outcomes, as many reports focus on national-level procurement issues rather than county-level dynamics (Omondi, Nteere, & Ngala, 2024). Future research should explore county-specific procurement inefficiencies, stakeholder engagement in procurement decision-making, and the role of digital solutions in improving procurement transparency and efficiency in coastal Kenya.

Statement of the Problem

Public procurement in Kenya plays a pivotal role in service delivery, economic growth, and governance, accounting for nearly 30% of total government expenditure (Kyalo, 2024). Strategic procurement practices, including supplier relationship management, technology adoption, and risk management, are essential for enhancing procurement performance in public institutions (Isaack, 2025). Despite regulatory frameworks such as the Public Procurement and Asset Disposal Act (2015), procurement inefficiencies persist in county governments, especially in the Coastal Region (Mugo, Magutu, & Akello, 2024). The Auditor General's 2023 report indicates that over Ksh 5 billion in procurement-related expenditures across Mombasa, Kilifi, Kwale, Tana River, Lamu, and Taita Taveta counties lacked proper documentation or compliance with procurement regulations (Office of the Auditor General, 2023). Additionally, supplier inclusivity remains low, with SMEs securing only 18% of county contracts despite the 30% legal requirement under the Access to Government Procurement Opportunities (AGPO) initiative (Wambui & Barasa, 2024). These inefficiencies raise concerns about procurement performance, necessitating an investigation into how strategic procurement practices influence procurement outcomes in these counties.

Strategic procurement practices significantly impact cost efficiency, supplier performance, and transparency in public procurement (Irakoze & Akumuntu, 2024). However, in Coastal Kenya, procurement performance remains hindered by poor adoption of technology-driven procurement, inadequate supplier collaboration, and weak risk mitigation strategies (Isaack, 2025). The Public Financial Management Reforms Secretariat (2021) found that only 8.55% of procurement entities in Kenya had uploaded their contracts to the Public Procurement Information Portal (PPIP), highlighting transparency gaps. Additionally, corruption in public procurement remains rampant, with county governments accounting for approximately 60% of all reported procurement-related corruption cases (Omondi, Nteere, & Ngala, 2024). While IFMIS and e-procurement systems are meant to streamline procurement processes, limited training and technical challenges have hindered their effectiveness in counties (Mugo, Magutu, & Akello, 2024). Given these challenges, there is a need to assess the extent to which strategic procurement practices influence procurement performance, particularly in the Coastal Region where economic disparities and service delivery inefficiencies are prevalent.

Several research gaps exist in understanding strategic procurement practices in Kenya’s county governments. Conceptually, while strategic procurement is associated with improved procurement performance, its direct impact on county-level efficiency, cost savings, and service delivery remains underexplored (Kyalo, 2024). Empirically, limited studies provide disaggregated data on how procurement strategies affect performance variations across different counties, making it difficult to compare procurement efficiencies among Mombasa, Kilifi, Kwale, Tana River, Lamu, and Taita Taveta (Gatari, 2023). There are also disagreements on the

effectiveness of digital procurement adoption; while some studies highlight improvements in transparency due to IFMIS, others argue that system failures and manipulation have undermined its intended benefits (Isaack, 2025). Additionally, knowledge gaps persist in understanding how supplier development programs, risk management, and category management influence procurement performance at the county level (Omondi, Nteere, & Ngala, 2024). Addressing these research gaps provides critical insights into strengthening strategic procurement practices to enhance procurement performance in the Coastal Region's county governments. Therefore, it is on this basis that the current study sought to establish the Influence of Strategic sourcing as a strategic procurement practice on the Procurement Performance of County Governments in the Coastal Region of Kenya.

Objective of the Study

The objective of this study was to establish the Influence of Strategic Sourcing on the Procurement Performance of County Governments in the Coastal Region of Kenya.

Hypothesis

H0: Strategic sourcing has no significant influence on the procurement performance of County Governments in Kenya.

LITERATURE REVIEW

Theoretical Review

Transaction Cost Economics (TCE) Theory – Strategic Sourcing

The Transaction Cost Economics (TCE) theory, developed by Ronald Coase (1937) and later refined by Oliver Williamson (1975, 1985), explains organizational decision-making based on transaction costs associated with market exchanges and hierarchical governance. TCE posits that firms seek to minimize transaction costs, including search, negotiation, enforcement, and monitoring costs, when deciding whether to make or buy goods and services. The theory assumes that economic agents operate under bounded rationality and opportunism, which necessitate governance structures such as contracts and vertical integration to mitigate risks. Williamson (1985) emphasized that asset specificity, uncertainty, and transaction frequency influence the choice of governance mechanisms in procurement. High asset specificity and uncertainty favor internal production or long-term contracting over market-based transactions. TCE has been instrumental in procurement strategy, particularly in explaining why firms prefer long-term supplier relationships and performance-based contracting to reduce opportunism and transaction costs (Williamson, 2008). By emphasizing cost efficiency and risk mitigation, TCE provides a robust framework for understanding procurement governance decisions.

TCE has been widely applied in procurement studies to examine supplier selection, outsourcing, and contract design. For instance, McIvor (2020) used TCE to analyze outsourcing decisions in public procurement, demonstrating that firms balance cost reduction with contractual risks. Similarly, Cousins et al. (2021) applied TCE to strategic sourcing, showing that organizations with high asset specificity and uncertainty adopt long-term contracts to minimize opportunism. In a case study of healthcare procurement, Essig and Dorobek (2022) found that TCE principles guide supplier governance to reduce coordination costs and ensure service reliability. Despite its contributions, TCE has faced criticism for oversimplifying human behavior and ignoring relational factors such as trust and collaboration (Ghoshal & Moran, 1996). Critics argue that firms often prioritize strategic partnerships beyond mere cost minimization (Ketokivi & Mahoney, 2020). Moreover, TCE's focus on efficiency overlooks broader organizational goals like innovation and sustainability. Nonetheless, TCE remains a vital framework for analyzing procurement strategies, particularly in complex and uncertain environments.

This theory underpins the first objective by highlighting how county governments can optimize procurement performance by strategically selecting suppliers to reduce transaction costs, mitigate risks, and improve efficiency. TCE helps explain sourcing decisions, including supplier selection and contract governance, to ensure cost-effectiveness and value creation in public procurement.

Conceptual Framework

According to Kothari (2004) a conceptual framework is a diagrammatic representation of variables deemed important in a study. The conceptual framework below serves as guiding concept in this study.

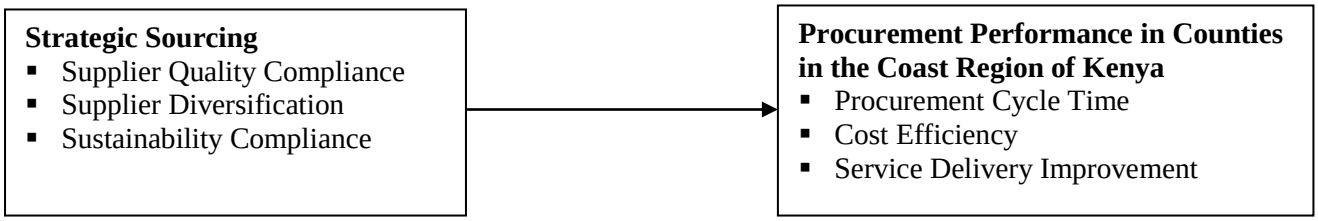

Figure 1: Conceptual Framework

Strategic sourcing in procurement

Strategic sourcing is a comprehensive approach aimed at optimizing an organization's supply base to enhance procurement performance. A critical sub-construct of strategic sourcing is Supplier Quality Compliance, which focuses on ensuring that suppliers consistently meet predefined quality standards and specifications. Maintaining high supplier quality compliance is essential, as subpar inputs can lead to increased operational costs, product recalls, and diminished customer satisfaction. Recent trends indicate that organizations are increasingly implementing rigorous quality management systems and leveraging technologies such as real-time data analytics to monitor supplier performance (Irakoze & Akumuntu, 2024). Despite these advancements, challenges persist, including variability in supplier capabilities and the complexity of managing compliance across global supply chains. Adda (2024) emphasized that firms in Ghana have struggled with supplier quality enforcement due to weak monitoring structures. Implementation gaps often arise from inadequate communication of quality expectations and insufficient supplier training programs. Management gaps may include a lack of robust mechanisms for continuous quality assessment and delayed responsiveness to quality deviations, which can compromise the overall effectiveness of strategic sourcing initiatives.

Another pivotal sub-construct is Supplier Diversification, which involves distributing procurement activities across multiple suppliers to mitigate risks associated with over-reliance on a single source. This strategy has gained prominence as organizations seek to enhance resilience against disruptions such as geopolitical tensions, natural disasters, and supplier insolvencies. A 2024 survey by the Chartered Institute of Procurement & Supply (CIPS) revealed that nearly 70% of supply chain leaders have adopted supplier diversification strategies to ensure continuity and reduce vulnerability to unforeseen events (Veridion, 2024). However, Ofori et al. (2025) argued that while diversification reduces procurement risks, it often leads to increased costs and management complexity. Implementation challenges stem from difficulties in identifying and qualifying alternative suppliers, especially in specialized industries. Corboș et al. (2023) highlighted that in the transition toward Procurement 4.0, digital tools are essential to optimizing supplier diversification strategies. Management shortcomings include insufficient investment in supplier relationship development and inadequate strategic planning to balance diversification with cost-effectiveness. Addressing these issues requires a deliberate approach to supplier selection and ongoing relationship management.

Sustainability Compliance is an increasingly vital sub-construct of strategic sourcing, emphasizing the procurement of goods and services from suppliers that adhere to environmental and social responsibility standards. This focus aligns with the growing recognition that sustainable procurement practices can lead to significant benefits, such as a 40% improvement in supplier relationships and a 45% increase in employee engagement (World Metrics, 2024). Despite these advantages, Irakoze and Akumuntu (2024) found that in Rwanda, many firms struggle to enforce sustainability compliance due to limited supplier transparency and regulatory inconsistencies. Challenges in achieving sustainability compliance include the complexity of verifying supplier adherence to sustainability standards and the potential for increased costs associated with sustainable sourcing (Adda, 2024). Implementation barriers often stem from a lack of standardized metrics for assessing sustainability performance. Additionally, management limitations include insufficient integration of sustainability criteria into procurement decisions and inadequate resource allocation for monitoring supplier compliance. Corboș et al. (2023) emphasized the role of circular economy principles in addressing these sustainability gaps by fostering more structured procurement compliance mechanisms.

Empirical Review

Strategic sourcing and procurement performance of organizations

Irakoze and Akumuntu (2024) examined the influence of strategic procurement practices on corporate performance, using Bralirwa Ltd, a leading beverage company in Rwanda, as a case study. The study focused on strategic sourcing, supplier relationship management, and technology adoption as key procurement practices. The findings indicated that strategic sourcing significantly enhanced procurement performance by reducing costs, improving supplier reliability, and ensuring product quality. However, implementation challenges such as resistance to change and supplier inefficiencies were identified. A conceptual gap exists as the study primarily linked strategic procurement practices to corporate performance rather than explicitly measuring their effect on procurement performance. Additionally, an empirical gap is evident, as the study focused on a single company in Rwanda, limiting generalizability to other sectors or countries. A disagreement gap arises as other studies have shown mixed results regarding the extent to which strategic sourcing directly impacts procurement performance. The study did not explore the role of digital procurement tools in optimizing strategic sourcing, leaving a knowledge gap on technology integration.

Adda (2024) investigated the relationship between procurement strategies and organizational performance among Ghanaian firms, with an emphasis on strategic sourcing, supplier partnerships, and procurement risk management. The study found that firms implementing strategic sourcing achieved higher cost savings and supply chain efficiency, particularly through long-term contracts with reliable suppliers. However, findings also revealed that some firms struggled with supplier compliance and contractual rigidity, limiting flexibility in procurement operations. A conceptual gap exists as the study examined procurement strategies in a broad sense, without isolating the specific effects of strategic sourcing on procurement performance. Empirical gaps arise due to the study's generalization across various industries without sector-specific analysis, making it difficult to assess industry-specific procurement dynamics. There is also a disagreement gap regarding whether cost reduction alone is a sufficient measure of procurement performance, as some studies emphasize factors like innovation and sustainability. Additionally, the study did not address how regulatory frameworks affect strategic sourcing, highlighting a knowledge gap in understanding legal influences on procurement practices.

Ofori et al. (2025) analyzed the impact of procurement strategies on competitive advantage, with project performance as a moderating factor. The study, conducted in Ghana, examined strategic sourcing, supplier selection, and performance-based contracting as key procurement strategies. The findings showed that strategic sourcing positively influenced procurement performance by enhancing supplier quality and reducing procurement cycle times. However, the study also highlighted inefficiencies in supplier evaluation mechanisms, which led to inconsistencies in procurement outcomes. A conceptual gap exists as the study

focused on competitive advantage rather than directly measuring procurement performance, making it difficult to isolate the specific contribution of strategic sourcing. The empirical gap arises as the study primarily covered project-based procurement, which may not reflect routine procurement dynamics in public or private sector organizations. A disagreement gap emerges from conflicting literature on whether project-based procurement results align with broader procurement performance indicators. Furthermore, a knowledge gap exists regarding how emerging procurement technologies, such as artificial intelligence, influence strategic sourcing within project-based environments.

Corboș et al. (2023) explored the effects of Strategic Procurement 4.0 on organizational competitiveness, particularly in the circular economy. The study examined digital procurement tools, data-driven supplier selection, and automated sourcing processes as key procurement strategies. Findings indicated that strategic procurement enhanced organizational competitiveness by increasing procurement efficiency and reducing environmental waste. However, firms faced challenges in adopting digital tools due to high initial costs and a lack of technical expertise. A conceptual gap exists as the study primarily linked procurement performance to circular economy goals rather than traditional procurement efficiency measures such as cost and quality. An empirical gap arises because the study was conducted in a European context, limiting applicability to developing economies with different procurement infrastructures. The disagreement gap lies in the varying perspectives on whether procurement digitization leads to immediate cost reductions, as some studies argue that digital transformation requires long-term investments. Additionally, a knowledge gap exists regarding the role of policy frameworks in supporting Strategic Procurement 4.0 adoption, particularly in resource-constrained economies.

The studies by Irakoze and Akumuntu (2024), Adda (2024), Ofori et al. (2025), and Corboș et al. (2023) all examined strategic procurement practices, particularly strategic sourcing, and their influence on organizational performance. They consistently found that strategic sourcing enhances procurement efficiency by improving supplier reliability, reducing costs, and ensuring product quality. However, methodological differences exist; Irakoze and Akumuntu (2024) employed a single-case study approach, while Adda (2024) and Ofori et al. (2025) used broader industry-wide surveys, making their findings more generalizable. Corboș et al. (2023) uniquely integrated digital procurement, diverging from the traditional procurement focus of the other studies. While most studies associated strategic sourcing with cost savings and supplier quality, Ofori et al. (2025) introduced a moderating variable, project performance, indicating that procurement outcomes may be context-dependent. Moreover, Corboș et al. (2023) emphasized environmental sustainability through procurement digitalization, a perspective not explored in the other studies. These methodological and contextual variations highlight differing perspectives on procurement efficiency and the role of digital transformation.

METHODOLOGY

This study adopted a descriptive and explanatory research design to investigate the influence of strategic procurement practices on the procurement performance of County Governments in the Coastal Region of Kenya.

The target population for this study consisted of procurement professionals, supply chain managers, finance officers, and senior government officials directly involved in procurement activities within the six counties of Kenya's Coastal Region. These counties include Mombasa, Kwale, Kilifi, Tana River, Lamu, and Taita Taveta, which have been selected due to their significant procurement expenditures and diverse procurement requirements (Mwangi & Wekesa, 2023). The unit of analysis was the procurement performance of County Governments in the Coastal Region of Kenya. The research evaluated procurement policies, practices, and outcomes at the institutional level to determine their effectiveness in enhancing procurement efficiency and compliance (Otieno et al., 2024). The units of observation were procurement professionals, finance officers, supply chain managers, and senior government officials working in procurement roles across the six counties

(Wanyonyi & Kiprotich, 2025). According to the respective county's public service departments, the procurement-related personnel across the six counties totals 263.

Given an estimated population of 263 procurement-related personnel across the six counties, the minimum required sample size was obtained using the formula recommended by Nassiuma (2000), thus;

$$\boldsymbol{n = n = \frac{Nc^2}{c^2 + (N-1)e^2}}$$

Where n = sample size, N = population size, and e = error margin (≤ 4%), c = coefficient of variation (≤ 50%).By substituting the formulae, therefore, we obtain;

$$\boldsymbol{n = \frac{263 * (0.5)^2}{(0.5)^2 + (263-1) * (0.04)^2} = 98.51 \approx 98}$$

A stratified random sampling technique was used to ensure a fair and proportional representation of respondents across different counties and procurement-related roles.

The study used structured questionnaire for data collection. In order to ascertain validity of the research instruments, the researcher piloted the instruments by distributing ten (10) questionnaires to respondents in Makueni County, which were not part of the counties to be sampled. The researcher ensured the content validity of the questionnaire by giving to the supervisor to ensure that the questions test or measure what they are supposed to measure

The researcher used the computer software Statistical Package for Social Scientists (SPSS) version 25 for windows to conduct initial data analysis.

RESULTS AND DISCUSSIONS

Response Rate

Table 1 shows the response rate of the questionnaires.

Table 1: Response Rate

No. of questionnaires Issued	No. of questionnaires Returned	Response Rate (%)
98	84	85.7

The high questionnaire response rate (85.7%) shown in Table 1 resulted from the method of administration of the instrument, which was in this case self-administered. This was acceptable according to Mugenda and Mugenda (2003). This method also ensured that the respondents' queries concerning clarity were addressed at the point of data collection; however, caution was exercised so as not to introduce bias in the process. The other questionnaires were not returned by the respondents, hence, they were not included in the study.

Descriptive Analysis Results

Strategic Sourcing in Procurement in County Governments

The objective of the study was to examine the influence of strategic sourcing on the procurement performance of the six County Governments in the Coast Region of Kenya. This variable was described in terms of; Supplier Quality Compliance, Supplier Diversification, and Sustainability Compliance. A five point Likert scale was used to rate responses of this variable and it ranged from; 1 = strongly disagree to 5 = strongly agree and was analysed on the basis of the mean score and standard deviation. The closer the mean score on each item was to 5, the more the agreement concerning the statement. A score around 2.5 would indicate uncertainty while scores significantly below 2.5 would suggest disagreement regarding the statement posed. The findings are presented in Table 2.

Table 2: Strategic Sourcing in Procurement in County Governments

Statement	SA %	A %	N %	D %	SD %	Mean	St. Dev
1. Our county ensures that suppliers consistently meet quality standards.	17(20)	32(38)	28(33)	5(6)	3(3)	3.64	0.989
2. Procurement decisions prioritize suppliers with strong quality assurance systems.	9(11)	45(54)	5(6)	17(20)	8(9)	3.36	1.199
3. The county engages multiple suppliers to reduce dependency risks.	14(17)	52(62)	7(8)	9(11)	2(2)	3.80	0.929
4. Supplier diversification has enhanced procurement resilience.	8(9)	35(42)	9(11)	24(29)	8(9)	3.13	1.210
5. Environmental sustainability is a key criterion in supplier selection.	20(24)	44(52)	10(12)	8(10)	2(2)	3.86	0.971
6. Our procurement process emphasizes ethical sourcing.	14(17)	48(57)	17(20)	3(4)	2(2)	3.82	0.838
Aggregate						3.602	1.023

Table 2 shows that respondents generally agreed that their counties ensured suppliers consistently met quality standards, with a mean score of 3.64 and a standard deviation of 0.989. This reflects moderate consensus on supplier quality compliance practices. Similarly, the statement that procurement decisions prioritize suppliers with strong quality assurance systems received a mean of 3.36 (S.Dev = 1.199), indicating agreement, albeit with more varied responses as shown by the relatively higher standard deviation.

On supplier diversification, the statement that counties engage multiple suppliers to reduce dependency risks recorded the highest agreement among all items (mean = 3.80; S.Dev = 0.929), suggesting that counties actively pursue diversification to enhance supply reliability. However, the statement that "supplier diversification has enhanced procurement resilience" scored a lower mean of 3.13 (S.Dev = 1.210), indicating more mixed perceptions about the actual impact of diversification efforts.

In terms of sustainability compliance, the county governments appear to place considerable emphasis on sustainable and ethical sourcing. The statement regarding environmental sustainability as a key criterion in supplier selection had a mean of 3.86 (S.Dev = 0.971), the highest among all items, showing strong agreement across respondents. Ethical sourcing was also emphasized, with a high mean score of 3.82 and the lowest standard deviation of 0.838, reflecting strong consensus.

Overall, the aggregate mean for strategic sourcing was 3.602 with a standard deviation of 1.023, indicating generally positive perceptions toward strategic sourcing practices across the counties. The relatively high mean and moderate variation suggest that strategic sourcing, especially sustainability and supplier diversification, plays a significant role in shaping procurement performance. These findings align with existing literature that identifies strategic sourcing as a critical driver of procurement efficiency, supplier reliability, and compliance with sustainability standards.

Procurement Performance in Counties in the Coast Region of Kenya

The study sought to determine the status of procurement performance of County Governments in Kenya. This was the dependent variable and the status of this variable was described in terms of; Procurement Cycle Time, Cost Efficiency, and Service Delivery Improvement. The status of this variable was rated on a 5 point Likert scale ranging from; 1 = strongly agree to 5 = strongly disagree and was analysed on the basis of the mean

score and standard deviation. The closer the mean score on each score was to 5, the more the agreement concerning the statement. A score around 2.5 would indicate uncertainty while scores significantly below 2.5 would suggest disagreement regarding the statement posed. These results are presented in Table 3.

Table 3: Procurement Performance in Counties in the Coast Region of Kenya

Statement	SA %	A %	N %	D %	SD %	Mean	St. Dev
25. Procurement processes are completed within stipulated timelines.	19(23)	30(36)	9(11)	17(20)	8(10)	3.42	1.308
26. Delays in procurement cycles have been significantly reduced.	7(8)	37(44)	11(13)	23(27)	7(8)	3.17	1.171
27. The county effectively minimizes procurement costs.	12(14)	31(37)	12(14)	19(23)	10(12)	3.19	1.275
28. Strategic sourcing has led to measurable cost savings.	7(8)	9(11)	13(15)	30(36)	25(30)	2.32	1.243
29. Procurement efficiency has enhanced service delivery in the county.	16(19)	39(46)	11(13)	10(12)	8(10)	3.54	1.207
30. Timely procurement leads to improved public service outcomes.	12(14)	14(17)	16(19)	29(35)	13(15)	2.80	1.297
Aggregate Score						3.073	1.250

Table 3 presents the results regarding procurement performance in counties in the Coast Region of Kenya. Respondents generally agreed that procurement processes are completed within stipulated timelines, with a mean score of (mean = 3.42; S.Dev = 1.308), reflecting moderate agreement. However, the relatively high standard deviation indicates a degree of variability in responses. Similarly, the statement that delays in procurement cycles have been significantly reduced received a mean of (mean = 3.17; S.Dev = 1.171), indicating a moderate level of agreement, but with more variation in responses. This suggests that while some respondents felt delays had been reduced, others remained less convinced.

On the issue of cost efficiency, the statement that the county effectively minimizes procurement costs scored a mean of (mean = 3.19; S.Dev = 1.275), reflecting moderate agreement. However, the higher standard deviation suggests some disagreement, indicating variability in perceptions regarding the effectiveness of cost minimization efforts. The statement that strategic sourcing has led to measurable cost savings received the lowest mean score of (mean = 2.32; S.Dev = 1.243), indicating a generally negative perception of the effectiveness of strategic sourcing in achieving cost savings. The high standard deviation further highlights the mixed responses, with a significant number of respondents expressing disagreement.

Regarding the impact of procurement efficiency on service delivery, the statement that procurement efficiency has enhanced service delivery in the county had a mean of (mean = 3.54; S.Dev = 1.207), reflecting moderate to high agreement. This suggests that procurement efficiency is generally viewed as contributing positively to service delivery outcomes. Finally, the statement that timely procurement leads to improved public service outcomes received a mean of (mean = 2.80; S.Dev = 1.297), indicating more mixed opinions on the relationship between timely procurement and improved public service outcomes. The relatively higher standard deviation suggests a greater diversity of responses.

The aggregate score for procurement performance across all the statements was low (Mean = 3.07; S.Dev = 1.250), indicating a generally moderate perception of procurement performance in the counties, with some areas requiring further improvement. The variation in responses highlights the diverse views on different aspects of procurement performance, suggesting that while some areas such as procurement cycle time and

service delivery show moderate success, other areas, particularly cost efficiency and strategic sourcing, need attention.

Hypothesis Testing

The study examined the influence of strategic sourcing on the procurement performance of among County Governments in the Coast Region of Kenya by testing the null hypothesis (H_0) using multiple regression analysis, with significance determined at the 0.05 level.

The hypothesis (**H_0**) proposed that *strategic sourcing has no significant influence on procurement performance among County Governments in the Coast Region of Kenya*. The regression results indicated a statistically significant and positive relationship between strategic sourcing and procurement performance (B = 0.563; t = 5.2140; p = 0.000). Since the p-value is less than 0.05, the null hypothesis was rejected. This finding implies that strategic sourcing practices, such as long-term supplier planning, spend analysis, and value-based supplier selection, play a substantial role in improving procurement performance. The results confirming a significant positive influence of strategic sourcing on procurement performance align with the findings of Irakoze and Akumuntu (2024), Adda (2024), and Ofori et al. (2025), all of whom reported that strategic sourcing enhances cost efficiency, supplier reliability, and procurement cycle time.

In conclusion, the null hypothesis was rejected, indicating that strategic sourcing has a statistically significant and positive influence on procurement performance in County Governments in Kenya's Coastal Region. These result highlights the value of adopting strategic sourcing to improve public sector effectiveness, efficiency, and service delivery.

CONCLUSIONS AND RECOMMENDATIONS

The study established that strategic sourcing significantly influences procurement performance in County Governments within Kenya's Coast Region. Key elements such as supplier quality compliance, diversification, and sustainability practices have collectively contributed to improved procurement outcomes. Counties demonstrated a proactive approach in engaging quality suppliers and adopting sustainable procurement practices, reflecting a shift toward long-term value and ethical responsibility. While supplier diversification is widely adopted, its effectiveness varies, indicating a need for more robust supplier management strategies. The statistical analysis confirmed a strong relationship between strategic sourcing and procurement efficiency, supporting the idea that deliberate, analytical sourcing strategies are essential for enhanced public sector performance. Strengthening strategic sourcing practices is therefore vital for procurement success.

County Governments should institutionalize strategic sourcing frameworks that emphasize supplier evaluation, market analysis, and sustainability compliance. This includes regular supplier audits, training procurement staff on strategic practices, and implementing tools for supplier risk assessment. Strengthening these areas will drive procurement efficiency, resilience, and long-term value, ensuring public resources are managed effectively and in line with sustainability and governance standards.

Recommendations for Future Research

Based on the findings, future studies are recommended to further explore and refine strategic procurement practices in Kenya's County Governments. The study recommends that a comparative study on supplier diversification strategies across counties is done. This requires investigating how varying supplier diversification approaches impact procurement performance in different county contexts, focusing on risk mitigation, supply continuity, and cost efficiency.

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