

CHALLENGES FACED BY SMALL AND MEDIUM ENTERPRISES IN ACCESSING PUBLIC CONTRACTS IN BONDO, KENYA

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ABSTRACT

Kenya Government has been in the forefront in advocating for the youth access to Government Contracts. This has been evidenced by the Presidential Directive on Youth Access to Government contracts by allocating 10% of all public contracts to Small and Medium Enterprises (SMEs). Despite this preferential treatment of SMEs, comparative tallies of public contracts secured by SMEs in Bondo against those secured by large enterprises are still very small. The study objectives are to determine the main challenges faced by SMEs in accessing public sector contracts in Bondo District and determining the types of public contracts often secured by SMEs in Bondo District. The research design adopted was stratified random sampling of SMEs in which self-administered questionnaires were used to collect data. A sample size of 136 SMEs out of a population of 210 SMEs were selected. The collected data was analysed using descriptive statistics. From the study perceived corruption, large documentation level, inavailability of public contracts, lack of information access, lack of feedback, large lot sizes, existing framework arrangements, lack of capital, long procurement time-scales, bureaucratic procurement procedures, stringent selection criteria, inaccurate contract information, cost of tendering, poor business infrastructure unfavorable taxation regime and pre-qualification were the major challenges SMEs face in accessing public sector contracts in Bondo. Again the study found that SMEs in Bondo which to some extent secured public sector contracts were found to

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have mostly drawn their public contracts from the Office of the President, Local Authority, Roads & Public Works and Agriculture & Regional Development. In conclusion, there are still a number of challenges that SMEs in Bondo are facing in accessing public sector contracts. These challenges need to be addressed by both the government and SMEs management. To accomplish this, the study recommends that further research be carried on how these challenges could be reduced both by government contracting authorities and/or SMEs themselves. Further research could also be carried on the initiatives the government has put to facilitate SMEs access to public contracts. Research could also be done on contribution of the level of education of procurement officers in achieving value for money during public procurement.

1.0. INTRODUCTION

Small & Medium Enterprises (SME's)

The term SME covers a wide range of definitions and measures, varying from country to country and between the sources reporting SME statistics (Kenya Association of Manufactures, 2008). Although there is no universally agreed definition of SME, some of the commonly used criteria are the number of employees, value of assets, value of sales and size of capital as well as turnover. Among them the most common definitional basis used is employees because of the comparative ease of collecting information and here again there is variation in defining the upper and lower size limit of an SME, (KAM, 2008). In developing countries the number of employees and size of assets or turnover for SMEs tend to be much smaller compared to their counterparts in developed countries due to their relative size of business entities and economies (World Bank, 2007). Types and features of Small Scale Business in Kenya survivalist enterprises are activities by people unable to find a paid job or get into an economic sector of their choice. Common features include low income standard, with little capital invested, virtually no skills training in the particular field and only limited opportunities for growth into a viable business besides poverty and the attempt to survive being the main characteristics of this category of enterprises. The European Union (EU) categorizes companies with fewer than 50 employees as small and those with fewer than 250 employees as medium (Kibas, 2004: EU Commission, 2006). This is the definition of SMEs adopted in this study. Small enterprises constitute the bulk of the established businesses. The enterprises would usually be owner-managed or directly controlled by the owner-community and are mostly family owned. They are likely to operate from

businesses/industries in various business sectors like retailing, manufacturing, professional services and construction-like formalities. Medium Enterprises constitute a category which is difficult to demarcate vis-à-vis the “small” and “large” business categories. SME’s are still viewed as basically owner/manager-controlled, though the shareholding or community control base could be more complex. SMEs in Kenya are generally distinguished by the nature of their production and management arrangements, trading relations, financial practices, internal competence etc. (KAM, 2008). According to KAM (2008) SMEs in Kenya typically have the following features in varying degrees; they are small units, often rural-based and family owned, most of them are small independent enterprises, standing alone and producing for a well-defined market, some are specialized firms, producing specialized products, selling to the international and /or local markets, they rely on low cost raw materials, low energy costs, low labor costs, and are characterized by low division of labor, flexible and often small production runs, they have low capital formations and finally, they are largely labor intensive units with low-level technologies; but one needs to note the emergence of high skill and technology-intensive SMEs. A large part of the economic system in many countries, whether developed or developing, is formed by small and medium sized enterprises (SMEs). These enterprises are considered by various researchers, to be essential for the economic development of those countries (Praag and Versloot, 2007). As an example, in the European Union (EU), Small and Medium Enterprises represent more than 98 percent of the firms and serve as a crucial foundation for the labor market in the member countries (Smallbone and Rogut, 2005). Apart from the crucial role that these SMEs play in the economies of these countries, these organizations generally encounter various weaknesses and challenges (Smallbone and Rogut, 2005; Smith and Smith, 2007; Joubert, 2004).

Public Contracting and SME’s

The contribution of the Small and Medium Enterprises (SME’s) to the economy of a nation is well recognized. In developing countries, it is believed, the contribution of SME’s towards employment generation is significant. The EU Code of Best Practices for SME access to procurement introduced in 2008 stated that increased involvement of SMEs in public procurement would result in higher competition for public contracts, leading to better value for money (VFM) for contracting authorities. Public procurement is the process by which government departments or agencies purchase goods and services from the private sector

(Lysons & Farrington, 2006). It takes place at both a national and regional level. The procurement process would usually be subject to specific rules and policies covering how the relevant decisions are made. In order to achieve value for money in the public sector, the status of the procurement department needs to be advanced by appointing a senior management representative and by either developing internal capabilities or recruiting externally (Lysons and Farrington, 2006). Common purchases should be centralized, and policies and procedures established to regulate the buying activities of internal clients. Supply and demand needs to be aligned through vertically integrated information flows and robust operational systems. Strategic source planning should be carried out, a category management system adopted, relevant suppliers appraised and selected, and appropriate relationships adopted. Supply performance monitoring, and relationship management are key on-going activities to streamline public contracting and achieve value for money (Lysons and Farrington, 2006). There are a number of barriers to achieving value for money in the public sector that may include: Procurement objectives in the public sector have always been unclear. A diverse range of stakeholders in public contracting situations do exist and it is not always obvious which group takes precedence. Procurement strategies have been driven by EU directives and require prescriptive and formulated sourcing approaches. Collaborative relationships with suppliers are difficult to justify. There is also considerable political intervention, an emphasis on budgetary control, and a risk-averse culture in public contracting. Supply chain strategies must thus be designed to achieve value for money, but it is not always clear what this entails. Procurement competences have not been well developed to operationalize designed strategies. Decision-making is often slow and bureaucratic, and public sector organizations often have a remit to pursue environmental and social objectives which may contradict commercial imperatives (CIPS, 2012)

SMEs in Bondo District

Bondo District is geographically located to the western region of Kenya just along the Equator. Bondo is bounded by Rarieda, Siaya, and Gem Districts. Bondo District covers 1328 square kilometers (km²); out of which 715 km² is covered by water while 593 km² islands. Bondo had a population of 157,522 (GOK, 2009). Bondo District had three administrative divisions namely Maranda Division, Usigu Division and Nyangoma Division. There are 210 SME's in Bondo District registered with the Town Council of Bondo. The SME's operate in various sectors from building and construction, transportation, food and beverage, fishing, textiles, automotive repairs

and general supplies. Public contracting rules applicable in Bondo District are virtually guided by the Public Procurement and Disposal Act (PPDA) of 2005 and the Public Procurement Regulations of 2006.

RESULTS

4.2.5. Approximate Annual Turnover for SMEs.

Table 5a: Annual Turnover

Variable	N	Minimum	Maximum	Mean	Std. Deviation	Coefficient of Variation
Annual Turnover	116	1	4	1.42	0.2413	0.169108911

Source: Research Data (2012)

Table 5b: Annual Turnover

Variable	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Below 1 Million	62	50.8	53.4	53.4
1-2 Million	22	18.0	19.0	72.4
2-5 Million	30	23.2	24.6	97.0
Over 5 million	2	1.6	3	100.0
Total	116	95.1	100.0	
Missing System	6	4.9		
Total	122	100.0		

Source: Research Data (2012)

According to Table 5b, turnover was categorised into below 1 million, 1-2 million, 2-5 million and over 5 million. 53.4% of the respondents had their SMEs approximate annual turnover at below 1 million, 19% had between 1-2 million, 24.6% between 2-5 million while 3% of the respondents were at over 5 million annual turnover. According to Table 5a, the mean response was 1.42 with a 0.2413 standard deviation from the mean and 16.91% coefficient of variation, indicating very low variability thus higher level of consistency. Since the research objective was to determine

the challenges faced by SMEs in accessing public contracts in Bondo, the position of SMEs annual turnover would be integral to their public contract access. With this high level of consistent response centred on between below 1 million then it confirms the most frequent response being that most SMEs in Bondo have an approximate annual turnover of below 1 milion. This implies that if payment for public public contracts completed are delayed then most SMEs here would not fulfill the next public contracts offered thus hampering their future access to public contracts based on poor performance.

4.2.6. SMEs Dealing in Public Contracts in Bondo

Table 6a: SME Dealing in Public Contracts

	Variable	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	74	60.7	63.8	63.8
	No	42	34.4	36.2	100.0
	Total	116	95.1	100.0	
Missing	System	6	4.9		
Total		122	100.0		

Source: Research Data (2012)

Table 6b: SME Dealing in Public Contracts

Variable	N	Minimum	Maximum	Mean	Std. Deviation	Coefficient of Variation
SME Dealing in Public Contracting	116	1	2	1.36	0.285	0.209558824

Source: Research Data (2012)

According to Table 6a, 63.8% of the respondents confirmed having been doing business with public contracting authorities. 36.2% have not been doing business with public contacting authorities.

According to Table 6b, the mean response was 1.36 with a 0.285 standard deviation from the mean and 20.95% coefficient of variation, indicating low variability thus higher level of consistency. Since the research objective was to determine the challenges faced by SMEs in accessing public contracts in Bondo, SMEs tendering for public contracts would be having

chances of accessing public contracts. 63.8% SMEs in Bondo were consistently found to have been tendering for public contracts thus in a position to access public sector contracts.

4.2.7. Percentage of Annual Turnover Contributed by Public Contracts

Table 7a: Volume of SME Public Contracts

	Variable	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 20%	28	23.0	24.1	24.1
	20%-49%	5	8.2	8.6	32.7
	50%-74%	11	18.0	19.0	51.7
	75%-100%	14	45.9	48.4	100.0
	Total	58	95.1	100.0	
Missing	System	3	4.9		
Total		61	100.0		

Source: Research Data (2012)

Table 7b: Volume of SME Public Contracts

Variable	N	Minimum	Maximum	Mean	Std. Deviation	Coefficient of Variation
Volume of SME Public Contracts	116	1	4	2.19	1.277	0.583105023

Source: Research Data (2012)

According to Table 7, 48.3% of the respondents had their SMEs approximate annual turnover contributed by public contracts being less than 20%. 8.6% of respondents had their SMEs annual turnover contributed by public contracts being 20%-49%. 19% of respondents had their SMEs annual turnover contributed by public contracts being 50%-74%. 24.1% of respondents had their SMEs annual turnover contributed by public contracts being 75%-100%. According to Table 4b, the mean response was 2.19 with a 1.277 standard deviation from the mean and 58.31%

coefficient of variation, indicating higher variability thus higher level of inconsistency. This could not be relied upon thus the item (annual turnover contributed by public contracts to SMEs) was discarded.

4.2.8. Public Sectors often Giving Contracts to SMEs in Bondo

Table 8a: Roads & Public Works Contracts

	Variable	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 5%	72	59.0	62.1	62.1
	5%-20%	22	18	19.1	81.2
	21%-49%	10	8.2	8.6	89.9
	50%-100%	12	9.8	10.1	100.0
	Total	116	95.1	100.0	
Missing	System	6	4.9		
Total		122	100.0		

Source: Research Data (2012)

Table 8b: Roads & Public Works Contracts

Variable	N	Minimum	Maximum	Mean	Std. Deviation	Coefficient of Variation
Roads & Public Works Contracts	116	1	4	1.37	0.296	0.216243655

Source: Research Data (2012)

According to Table 8a, 62.1% of the respondents had their public contracts given by Roads & Public Works department being below 5%. 19.1% of the respondents had their public contracts given by Roads & Public Works department being between 5%-20%. 8.6% of the respondents had their public contracts given by Roads & Public Works department being 21%-49%. 10.1% of the respondents had their public contracts given by Roads & Public Works department being between 50%-100%. However, according to Table 8b, the mean response was 1.37 with a 0.296 standard deviation from the mean and 21.62% coefficient of variation, indicating higher level of consistency. Since the research objective was to determine the challenges faced by SMEs in accessing public contracts in Bondo, knowledge of public sectors often giving contracts to SMEs

would be integral to their public contract access. The most frequent response was that SMEs in Bondo receive below 5% of public contracts from roads and public works. Mean response analysis established that the most consistent response was also on below 5% public contracts being given by roads & public works. This position is confirmatory thus led to this item being relied upon to make implications regarding the the research objectives.

Table 9a: Office of the President

	Variable	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 5%	52	42.6	44.8	44.8
	5%-20%	40	32.8	34.5	79.3
	21%-49%	10	8.2	8.6	87.9
	50%-100%	14	11.5	12.1	100.0
	Total	116	95.1	100.0	
Missing	System	6	4.9		
Total		122	100.0		

Source: Research Data (2012)

Table 9b: Office of the President

Variable	N	Minimum	Maximum	Mean	Std. Deviation	Coefficient of Variation
Office of the President	116	1	4	1.09	0.198	0.181818182

Source: Research Data (2012)

According to Table 9a, 44.8% of the respondents had their public contracts given by office of the president department being below 5%. 34.5% of the respondents had their public contracts given by office of the president department being between 5%-20%. 8.6% of the respondents had their public contracts given by office of the president department being 21%-49%. 12.1% of the respondents had their public contracts given by office of the president department being between 50%-100%. The most frequent response was that below 5% of public contracts in SMEs came from Office of the President. According to Table 9b, further analysis indicated that the mean

response was 1.09 with a 0.198 standard deviation from the mean and 18.18% coefficient of variation, indicating lower variability thus higher level of consistency. Since the research objective was to determine the challenges faced by SMEs in accessing public contracts in Bondo, knowledge of public sectors often giving contracts to SMEs would be integral to their future public contract access. The most consistent response was on being below 5% of public contracts to SMEs being given by Office of the President.

Table 10a: Agriculture & Regional Development

	Variable	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 5%	42	68.9	72.4	72.4
	5%-20%	5	8.2	8.6	81.0
	21%-49%	5	8.2	8.6	89.7
	50%-100%	6	9.8	10.3	100.0
	Total	58	95.1	100.0	
Missing	System	3	4.9		
Total		61	100.0		

Source: Research Data (2012)

Table 10b: Agriculture & Regional Development

Variable	N	Minimum	Maximum	Mean	Std. Deviation	Coefficient of Variation
Agriculture & Regional Development	116	1	4	1.46	0.263	0.1798863636

Source: Research Data (2012)

According to Table 10a, 72.4% of the respondents had their public contracts given by Agriculture & Regional Development department being below 5%. 8.6% of the respondents had their public contracts given by Agriculture & Regional Development department being between 5%-20%. Another 8.6% of the respondents had their public contracts given by Agriculture & Regional

Development department being 21%-49%. 10.3% of the respondents had their public contracts given by Agriculture & Regional Development department being between 50%-100%. According to Table 10b, the mean response was 1.46 with a 0.263 standard deviation from the mean and 17.99% coefficient of variation, indicating lower variability thus higher level of consistency. The response on Agriculture & Regional Development being highly consistent confirms position of the most frequent response that below 5% of public contracts accessed by SMEs in Bondo come from Agriculture & Regional Development sector.

Table 11a: Health

	Variable	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 5%	66	54.1	56.9	56.9
	5%-20%	30	24.6	25.9	82.8
	21%-49%	10	8.2	8.6	91.4
	50%-100%	10	8.2	8.6	100.0
	Total	116	95.1	100.0	
Missing	System	6	4.9		
Total		122	100.0		

Source: Research Data (2012)

Table 11b: Health

Variable	N	Minimum	Maximum	Mean	Std. Deviation	Coefficient of Variation
Health	116	1	4	1.28	1.304	0.191075269

Source: Research Data (2012)

According to Table 11a, 56.9% of the respondents had their public contracts given by Health department being below 5%. 25.9% of the respondents had their public contracts given by Health

department being between 5%-20%. 8.6% of the respondents had their public contracts given by Health department being 21%-49%. Another 8.6% of the respondents had their public contracts given by Health department being between 50%-100%. According to Table 11b, the mean response was 1.28 with a 0.245 standard deviation from the mean and 19.11% coefficient of variation, indicating higher level of consistency. The response on Health sector being highly consistent confirms position of the most frequent response that below 5% of public contracts accessed by SMEs in Bondo come from the Health sector.

Table 12a: Education

	Variable	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 5%	43	70.5	74.1	74.1
	5%-10%	9	14.8	15.5	89.7
	11%-20%	1	1.6	1.7	91.4
	50%-100%	5	8.2	8.6	100.0
	Total	58	95.1	100.0	
Missing	System	3	4.9		
Total		61	100.0		

Source: Research Data (2012)

Table 12b: Education

Variable	N	Minimum	Maximum	Mean	Std. Deviation	Coefficient of Variation
Education	116	1	4	1.53	1.158	0.756862745

Source: Research Data (2012)

According to Table 12, 74.1% of the respondents had their public contracts given by Education department being below 5%. 15.5% of the respondents had their public contracts given by Education department being between 5%-20%. 1.7% of the respondents had their public

contracts given by Education department being 11%-20%. 8.6% of the respondents had their public contracts given by Education department being between 50%-100%. According to Table 12b, the mean response was 1.53 with a 1.158 standard deviation from the mean and 75.68% coefficient of variation, indicating higher variability thus higher level of inconsistency. Since the research objective was to determine the challenges faced by SMEs in accessing public contracts in Bondo, knowledge of public sectors often giving contracts to SMEs would be integral to their public contract access. The response on Education Sector being highly inconsistent would not be relied upon thus discarded.

Table 13a: Local Authority

Variable	N	Minimum	Maximum	Mean	Std. Deviation	Coefficient of Variation
Local Authority	116	1	4	1.36	0.235	0.173053892

Source: Research Data (2012)

Table 13b: Local Authority

Variable	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
Below 5%	84	68.9	72.4	72.4
5%-10%	10	8.2	8.6	81.0
11%-20%	10	8.2	8.6	89.7
50%-100%	12	9.8	10.3	100.0
Total	116	95.1	100.0	
Missing				
System	6	4.9		
Total	122	100.0		

Source: Research Data (2012)

According to Table 13b, 72.4% of the respondents had their public contracts given by Local Authority department being below 5%. 8.6% of the respondents had their public contracts given

by Local Authority department being between 5%-10%. Another 8.6% of the respondents had their public contracts given by Local Authority department being 11%-20%. 10.3% of the respondents had their public contracts given by Local Authority department being between 50%-100%. According to Table 13a, the mean response was 1.36 with a 0.235 standard deviation from the mean and 17.31% coefficient of variation, indicating higher level of consistency. Since the research objective was to determine the challenges faced by SMEs in accessing public contracts in Bondo, knowledge of public sectors often giving contracts to SMEs would be integral to their public contract access. The response on Education Sector being highly consistent and within the expected range/outliers about the mean then 72.4% of SMEs in Bondo do access just below 5% of public contracts from the Local Authority.

4.2.9: Mode of Communicating Public Contracts to SMEs in Bondo

Table 14a: Mode of Communicating Public Contracts

	Variable	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Newspaper Adverts	24	19.7	20.7	20.7
	E-mail/Internet	2	1.6	1.7	22.4
	Office Notice boards	32	26.2	27.6	50.0
	Friends & Networks	58	47.5	50.0	100.0
	Total	116	95.1	100.0	
Missing	System	6	4.9		
Total		122	100.0		

Source: Research Data (2012)

Table 14b: Mode of Communicating Public Contracts

Variable	N	Minimum	Maximum	Mean	Std. Deviation	Coefficient of Variation
Mode of Communicating Public Contracts	116	1	4	4.07	0.857	0.210456026

Source: Research Data (2012)

According to Table 14a, 20.7% of the respondents often receive communications and tender notices of public contracts by newspapers. 1.7% of the respondents often receive communications and tender notices of public contracts by E-mail/Internet. 27.6% of the respondents often receive communications and tender notices of public contracts through office notice boards. 50% of the respondents often receive communications and tender notices of public contracts through friends and networks. According to Table 14b, the mean response was 4.07 with a 0.857 standard deviation from the mean and 21.05% coefficient of variation, indicating high level of consistency. Considering this analysis, the most frequent response on receiving public contract information was through friends & networks thus confirmatory.

SUMMARY

From the analyzed research data (Table 1-18/Appendix 3 item 1-18), it was found that all SMEs in Bondo District had their employees ranging between 1-50 employees. Major areas of SME business with public contractor were in Steel & Carpentry fabrications, Building & Construction, Automotive Supplies & Garages while some small percentage being in the General Hardwares and Oil & Petroleum sectors. SMEs in General Retail and Transport sectors had no indication of contracting with the public sector. Majority of the SMEs in Bondo had existed for over 6 years since inception and therefore had enough practical experience as far as the objectives of this study was concerned. The major sources of funding for SMEs in Bondo were found to be bank loans in addition to personal savings. The average annual turnover of SMEs in Bondo was below 1 million though one-quarter of SMEs had their annual turnover being 2-5 million. Most SMEs in Bondo depend on public contracts for their survival with just one-third of SMEs not dealing with public contracts completely. Of those dealing with public contracts over 75% of their average annual turnover come from public contracts. SMEs in Bondo mostly draw their public contracts from the Office of the President, Local Authority, Roads & Public Works and Agriculture & Regional Development. These SMEs often received public contracts information through friends & networks but some small percentage through office notice boards as well as newspaper advertisement. Less than half of SMEs in Bondo often received public contracts. Most SMEs in Bondo were found to be knowledgeable in PPDA (2005) with over half considering PPDA (2005) as favoring them in public contracting. The study also found that

SMEs in Bondo which secured public sector contracts mostly drew their public sector contracts from the Office of the President, Local Authority, Roads & Public Works and Agriculture & Regional Development. Analysis from Table 19-36 (also shown in Appendix 3 item 19-36) established that the following were the major challenges SMEs face in accessing public sector contracts: perceived corruption, high documentation level, few available public contracts, lack of access to public contract information, lack of feedback from government, large lot sizes, existing framework arrangements with large enterprises, long procurement time-scales, bureaucratic procurement procedures, stringent selection criteria, inavailability of accurate contract information, large cost of tendering and the pre-qualification requirement based on financial and human resource capacity to do the work, commitment and experience of past works/service to be pre-qualified thus putting high entry barriers. Poor business infrastructure besides delays in invoice payments and highly unfavorable taxation regime were also mentioned as challenges SMEs face in accessing public sector contracts.

Conclusion

In conclusion, this study focused on establishing the challenges SMEs face in accessing public sector contracts in Bondo District. The study was anchored on the EU Directives on public contracting from which PPDA (2005) and PPR (2006) were drawn to regulate public procurement. The first objective of the study was to determine the main challenges faced by SMEs in accessing public sector contracts in Bondo District. From the study perceived corruption, large documentation level, inavailability of public contracts, lack of information access, lack of feedback, large lot sizes, existing framework arrangements, lack of capital, long procurement time-scales, bureaucratic procurement procedures, stringent selection criteria, inaccurate contract information, cost of tendering, poor business infrastructure unfavorable taxation regime and pre-qualification were the major challenges SMEs face in accessing public sector contracts in Bondo. The second objective of the study was to determine the types of public contracts often secured by SMEs in Bondo District. From the study SMEs in Bondo which to some extent secured public sector contracts were found to have mostly drawn their public contracts from the Office of the President, Local Authority, Roads & Public Works and Agriculture & Regional Development.

Recommendations

This study focused on establishing the challenges SMEs face in accessing public sector contracts in Bondo District. With the challenges in place, it is the responsibility of contracting authorities and SMEs management to ensure these challenges are reduced. It's thus suggested that further research could be done on how these challenges could be reduced both by government contracting authorities and/or SMEs themselves. Further research could also be carried on the initiatives the government has put to facilitate SMEs access to public contracts. Research could also be done on contribution of the level of education of procurement officers in achieving value for money during public procurement. The study recommends that the government should reduce the level of bureaucracy seen in long procurement procedures. The government should also reduce the heavy taxations charged on business enterprises to ease the business infrastructure for SMEs probably through tax cut incentives. The study further recommends that contracting authorities should be trained on good contracting practices, ethics & integrity so as to eliminate perceived corruption as a challenge. Documentation level during tendering should be reduced to manageable levels and possibly allow use of e-tendering for this purpose. Public contracting authorities should thoroughly de-brief all bidders upon awarding tenders. The study also recommends reduction of lot sizes so as to be accessible to SMEs interested in public contracts. The various public sector contracting authorities should also try to facilitate faster payments for invoices to avoid holding SME cash for too long so as to be able to facilitate tendering for other jobs.

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