

ABSTRACT

Whereas e-procurement is globally acclaimed, evidence indicates a slow adoption rate from 18-30 percent at inception. Launching of Integrated Financial Management System on 9th February 2016 by Kenya aimed at facilitating e-governance including e-procurement. As a result most government agencies adopted e-procurement for all goods, works and services. Studies on e-procurement have a general focus on levels, drivers and barriers of adoption of e-procurement by business entities but do not define such levels, drivers and barriers relating to third parties like contractors or suppliers that do business with any government agency particularly in Kenya. These reports do not establish levels of adoption, drivers of adoption are not clear and barriers of adoption of e-procurement by road contractors in KeRRA Busia are not evident. The purpose of the study was to assess the adoption of e-procurement by road contractors in KeRRA Busia Region. The specific objectives were to: determine levels of adoption of e-procurement practices, to establish drivers of e-procurement adoption and to establish the barriers of e-procurement adoption by road contractors in KeRRA Busia Region. The study was guided by resource based theory and legitimacy theory and employed a descriptive survey design. The target population comprised of 1667 contractors. A sample size of 323 contractors was drawn using Yamane formula. Stratified random sampling technique was used to draw respondents from the target population. Primary data was collected using structured questionnaires. A pilot of 33 respondents was studied. Instrument reliability was determined through test retest approach while expert judgment and content validity index was used to determine the instrument validity. The instruments Cronbach's alpha reliability coefficient was $\alpha=0.830$ while content validity index was $CVI=0.910$, which were acceptable. The completed questionnaires were checked thoroughly by editing, coding, entering, and analyzed quantitatively using descriptive statistics such as frequencies, percentages, means and standard deviations to present information on the study objectives. The findings indicate that: the adoption level for e-procurement was 18.4% (Mean= 4.195, SD=0.249); 79.4% (Mean=1.653, SD=0.226) of contractors believe that the existing barriers have significantly affected their adoption of e-procurement; and finally, 61.2% (Mean=2.908, SD=0.175) contractors believe that the identified drivers can significantly improve their adoption of e-procurement. The study concludes that only a small portion of contractors have adopted the e-procurement due to a number of barriers in their organizations but with drivers that can be invoked to raise this low adoption level. The study concludes that only a small portion of contractors have adopted the e-procurement due to a number of barriers in their organizations but with a number of drivers that can be invoked to raise this low adoption level. The study recommends that workshops should be held to expose contractors on the strategic importance of e-procurement in the performance of road construction projects which would determine the levels of project success. The study further recommends that since technological and budgetary costs have been identified as some of the barriers in implementation of e-procurement, contractors should develop capital reserves that would help in catering for new developments and innovation in the company like acquisition of e-procurement software. Finally, e-procurement solution providers need to address the above common barriers and find solutions how companies could avoid them. The findings provide practical and useful information for road contractors, Infrastructure Ministry, KeRRA and Government of Kenya for policy formulation, management and regulations.