

ABSTRACT

Devolution is meant to enhance accountability and bring resources closer to the people they intend to serve. However, the implementation of devolution has not been easy, as the County Government of Homa Bay needed to engage in massive procurement in the establishment of County Governments. This has affected the performance levels of the County with performance dropping from 70% in 2016 to 50% in 2017 according to 2017 annual report. Several studies have been done on impact of procurement and Disposal Act of 2005, focusing on the relationship between demands driven approaches on sustainable supply chain. However, no study considered investigating the relationship between stock out and sustainable supply chain, carrying cost and sustainable supply chain and extended lead time and sustainable supply: information on these constructs of demand driven approaches and sustainable supply chain is therefore lacking. The purpose of this study was to investigate the effects of demand driven approaches on sustainable supply chain, taking a case of Homa-Bay County Government. Specific objectives were to establish the effect of stock-outs, examine the effect of extended lead times, and to determine the effect of inventory carrying costs on sustainable supply chain of Homa Bay County Government. This study was anchored on the agile supply chain theory. Correlation research design was adopted on a target population of all 132-procurement staff who were sampled using stratified random sampling technique. Primary data was collected using structured questionnaire. Cronbach's alpha test was used to test the internal consistency of the instrument. A coefficient of 0.878 which is above the threshold of 0.7 was established indicating instruments reliability. For validity test, the instrument was reviewed after which corrections were done. The study established; Stock out has a significant effect on Supply Chain Sustainability ($\beta = -0.164$, $\alpha = 0.00$). Lead time has a significant effect on Supply Chain Sustainability ($\beta = 0.609$, $\alpha = 0.00$). Inventory cost was established to be having a significant effect on Supply Chain Sustainability ($\beta = 0.468$, $\alpha = 0.00$). The results imply that stock out as practiced at the county does not affect sustainable supply. However, inventory cost and lead time were found to affect sustainable supply chain to neither a small extent nor a large extent. Further it was also established that inventory cost was significantly critical in predicting sustainable supply chain. The researcher recommends that information sharing between users and suppliers; adoption of e procurement; and employment of virtual reality during acquisition and placement be embraced. Further studies are recommended on effect of lead time on sustainable procurement. The study findings may be used by Kenyan Policy makers in government and private sectors to come up with strategies and policies that ensure the demand driven approaches on sustainable supply chain in Kenya compete favorably in the global market by meeting both environmental and quality requirements. The study finding might also provide a theoretical and empirical framework for research in demand driven approaches on sustainable supply chain in Kenya and would contribute to the body of knowledge since it might be reference material for future researchers and academicians.