

**PURCHASING CONSORTIA DETERMINANTS IN THE EFFECTIVENESS OF
PURCHASING CONSORTIA IN COUNTY REFERRAL HOSPITALS IN THE
COAST REGION, KENYA**

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DECLARATION

This thesis is my original work and has not been submitted for award of degree in any other University.

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DEDICATION

Special dedication to my beloved husband Mr. Kemei who I have used his time towards this thesis. You have always cheered me on.

To my parents, thank you for introducing education in my life.

To my children Joy and Jude; you are like shining stars to my path. I will be there for you.

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May God Reward All Abundantly

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ABBREVIATION AND ACRONYMS

CRE	Common Replenishment Epoch
ICT	Information Communications Technology
GPO	Group Purchasing Organization
KMO	Kaiser Meyer Olkin
MIS	Management Information System
PC	Purchasing Consortia
PR	Procurement Regulation
PPADA	Public Procurement and Asset Disposal Act
RE	Resource Endowment
SCM	Supply Chain Management
SC	Supply Chain
SPSS	Statistical Package for Social Sciences

DEFINITION OF TERMS

Alignment in Collaborative Purchasing	Organizing all the key stakeholders in a typical procurement contract (Burns & Lee, 2020).
Asset Specificity	This is a specific investment for use by the consortium members (McDonald, 2018).
Contract Management	Mechanisms for ensuring that parties in an agreement achieve the set objectives (Sexana, 2019).
Formality	Refers to organizational structure such as rules, policies, regulations that govern consortium agreement (Moore, 2021).
Hitching	This is power dominance by one or few partners over other consortium members in the contract (Ruiter <i>et al.</i> , 2019).
Management Information System	An integrated and connection system for collaboration (Schneller, 2019).
Network of Suppliers	An interconnected supply base cooperating in supply chain of activities (Trent, 2020).
Outsourcing	Contracting an external service provider to offer the requirement instead of making in house (Shields & Whetsell, 2019).
Ordering Cost	An expense to a batch of an order (Senge, 2020).
Partner Commitment	The act of the other contracting partner believing that ongoing relationship is vital to warrant maximum effort for maintaining (Morash & Clinton, 2018).

Portfolio Approach	This is standardized purchasing model for an internal strategic and risk analysis (Aluonzi, Oluka & Nduhura, 2020).
Purchasing Consortium	This is the consolidation of the supply chain activities (Pye & Ball, 2018).
Purchase Opportunity	This is a purchase decision to ensure savings e.g., quantity discount (Rose, 2018).
Procurement Contract Management	These are activities between buying organization and supplying organization in ensuring that agreed objectives are met (Philips & Philips, 2018).
Socially Responsible Supplier	A vendor who uses environmentally safe products and ethical disposal (Spencer, 2021).
Supplier Capacity	This is the ability by the service provider to perform set of intended or contractual assignment (Browne & Zhang, 2020).
Supply Chain Management	These are network of organizations either in the upstream or downstream in creating value to manufacturers and consumers (Sanderoa <i>et al.</i> , 2019).
Supplier Interest	This is the aspect of how suppliers want the business through response to the organizational requirements (Rozemeijer, 2019).
Supply Node	A discrete supply unit in the network for purchase consolidation/ disintegrations (Tella & Virolainen, 2018).
Supplier Tearing	Forming a supply base by combing service providers with small common products together (Nollet & Beaulu 2020)

Sole-sourcing

A purchase strategy of buying from one source (Stepan & Santiago, 2021).

ABSTRACT

Purchasing consortium has been used to describe a form of cooperation in a diversified view to pool resources and manage supply risk. Academics and practice are increasingly interested in purchasing consortia because they provide a broader picture of the joint effort of corporations and government agencies in sourcing. Depending on the anticipated advantages, the function of a purchasing group might be expanded more or less. It's hard to argue for the employment of a purchasing group for anything other than cost reductions, so that's where most of the attention is focused. The strategic approach of coordinating the group purchasing enables the purchasing organization of public health facilities to join forces for a collective acquisition in the view of benefiting at reduced transaction costs from greater purchasing power, and more comprehensive information. The objectives were narrowed down to the influence of supplier capacity, contract management, portfolio approach, and suppliers' interest; all moderated by the management information system on purchasing consortium. The study was done in the County Referral Hospital in the Coast Region, Kenya. Theoretically, the study was anchored on competency theory, MacNeil Relational Theory, Contingency Theory, Network, and Stakeholder Theory. The study used the descriptive research design in undertaking this study. The study population comprised of 212 officials drawn from across the county referral hospitals in the coastal region of Kenya. The stratified random sampling technique resulted into having a total sample size of 139 units of analysis. Data was collected by use of questionnaires, analyzed, and presented scientifically in tables and graphs. Ridge regression was further used to address multicollinearity issues through shrinking the regression coefficients towards zero, mitigating the impact of high intercorrelation among predictor variables. The study findings revealed that Supplier Capacity has a significant positive influence on the purchasing consortium, Contract Management has a significant positive on the purchasing consortium, Portfolio Approach has a significant positive influence on the Purchasing Consortium, and Supplier's Interest has a significant positive influence on the Purchasing Consortium at County Referral Hospitals in the Coast Region, Kenya. The R Square Results in the moderated relationship model of .676 in table 4.18 indicated that over 67% of the variability of the dependent variable could be explained by the independent variables in the moderated relationship model. The standard deviation statistics value of 0.98502 which was less than the mean value indicated that the data for the management information system moderating variable was well distributed around the central tendency. The study recommends an in-depth assessment and categorization of the Procurement Needs by the County Referral Hospitals. The study recommended further research to be done on other Counties using different elements of the purchasing consortium. The thesis further recommends the use of different variables for studying purchasing consortium.