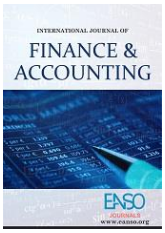
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Original Article

Public Service Efficiency through AGPO Implementation Among Water Companies in Murang'a County, Kenya

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Access to Government Procurement Opportunities (AGPO), Service Delivery, Water Companies, Public Procurement Policy.

ABSTRACT

Equitable access to government procurement opportunities (AGPO) is a strategic policy mechanism aimed at promoting inclusive participation and enhancing public service delivery. Despite nearly a decade of implementation, AGPO's impact remains mixed with persistent challenges, including limited access to procurement information, low contract absorption rates, inadequate technical and financial capacity among beneficiary groups, and weak compliance by procuring entities. This study evaluated the effect of access to government procurement opportunities on the service delivery of water companies in Murang'a County. The investigation was guided by the Agency Theory, which emphasises the importance of effective delegation and accountability between procuring entities and suppliers in achieving optimal service outcomes. The study employed a descriptive survey design, targeting management staff across licensed water companies within Murang'a County. The population of this study consisted of 240 employees working in the procurement department and heads of the user department drawn from the five water companies in Murang'a County. Yamane's formula was used to arrive at a sample size of 150 respondents. Data was gathered through questionnaires and analysed using regression analysis to determine the statistical relationship between access to procurement opportunities and service delivery outcomes. The regression results revealed that AGPO had a positive unstandardized coefficient of 0.472, with a corresponding p-value of 0.000, which is far below the conventional threshold of 0.05, indicating that the relationship between AGPO and service delivery is both strong and statistically significant. Hence, the null hypothesis was rejected, leading to the conclusion that AGPO implementation significantly improves service delivery in water companies. The study recommends that county governments and oversight bodies intensify AGPO policy implementation by increasing transparency, minimising access barriers, and equipping staff with procurement inclusion skills. As a policy recommendation, the Water Services Regulatory Board (WASREB) and the Public Procurement Regulatory Authority (PPRA) should jointly develop AGPO compliance guidelines tailored to water service providers to promote equity, efficiency, and improved public service outcomes.

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INTRODUCTION

Public procurement is a central lever of governance and national development, making up a substantial slice of government spending in many countries, ranging between 10-15% of GDP in developed economies and up to 40% in developing ones (ICR, 2024). While on the surface it is the formal process by which governments acquire goods, services, and works, procurement has evolved into something more strategic. Across the globe, it is now being used to further socioeconomic goals like poverty alleviation, boosting local industries, promoting gender equality, and ensuring inclusive participation in public-sector growth (ICR, 2024). For instance, to achieve those goals, many countries have introduced affirmative procurement or reservation schemes that set aside part of public tenders for historically marginalised or disadvantaged groups such as women, youth, and persons with disabilities. These programs aim not just to redress long-standing inequalities in market access, but also to improve the efficiency and responsiveness of public service delivery. The logic is that when procurement is more inclusive, local supply chains strengthen, bureaucratic turnover slows down, and more suppliers are available, leading to better value and faster results.

Global Perspective on AGPO Initiatives

To harness this potential, international organisations such as the World Bank, UNDP, and OECD have advocated for "inclusive procurement" approaches. These involve deliberately structuring procurement systems to support small and medium enterprises (SMEs), women-owned businesses, youth entrepreneurs, and persons with disabilities (World Bank, 2011; UNDP, 2025). Evidence shows that when procurement policies are combined with capacity-building initiatives, simplified bidding procedures, and transparent certification mechanisms, participation by disadvantaged groups increases and local economies benefit (OECD, 2018; World Bank, 2023). In essence, inclusive procurement at the global level is framed as both an equity strategy and a pathway to more efficient, diversified, and resilient supply chains.

India's government has introduced strong procurement policies to favour domestic suppliers. Under the Public Procurement (Preference to Make in India) Order, 2017, and subsequent revisions, the government classifies suppliers into categories based on how much local content (domestic value addition) their goods or services contain (e.g., Class-I with ≥50% local content, Class-II between 20-50%) and gives preference to these in bidding.

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For some small procurements, only local suppliers are eligible, while for larger ones, local suppliers get preference margins or opportunities to match the lowest bids by foreign entities.

The U.S. has one of the longest-running affirmative procurement programs. Under the Small Business Act (1953) and its later amendments, at least 23% of all federal contracts are reserved for small businesses. Within this, 5% is set aside for women-owned small businesses, 5% for disadvantaged businesses, and 3% for service-disabled veteran-owned firms. The 8(a) Business Development Program specifically supports socially and economically disadvantaged entrepreneurs through sole-source contracts and mentorship (U.S. Small Business Administration, 2023).

Africa's Perspective on AGPO Initiatives

Within Africa, inclusive procurement has been strongly linked to local content policies, which aim to retain more economic value from public spending within domestic economies. Countries across the continent have adopted preferential procurement laws that reserve certain contracts for local suppliers or disadvantaged groups such as women and youth. Regional bodies like the Common Market for Eastern and Southern Africa (COMESA) have gone further by developing regional guidelines on local content in procurement (COMESA, 2020).

South Africa's Preferential Procurement Policy Framework Act (2000) and subsequent Preferential Procurement Regulations (2017) reserve a percentage of contracts for historically disadvantaged individuals, including Black people, women, and persons with disabilities. Government departments are required to allocate 30% of certain tenders to SMEs or firms owned by targeted groups, making it very similar to Kenya's AGPO model (National Treasury of South Africa, 2017).

Nigeria's procurement law incorporates affirmative action through its Public Procurement Act (2007) and Local Content Policy (2010), especially in sectors like oil and gas. Procurement opportunities are reserved for indigenous companies, with additional provisions to encourage participation of women and youth entrepreneurs in small contracts. The Nigerian Bureau of Public Procurement has also developed guidelines to ensure 10–15% of public contracts go to SMEs and disadvantaged groups (Bureau of Public Procurement, Nigeria, 2021).

Development partners such as the World Bank have supported these efforts, offering toolkits and advisory programs to enhance SME access to procurement markets (World Bank, 2020). Research indicates that the design of procurement systems matters: smaller contract lots, simplified procedures, and training opportunities increase SME participation and chances of success (Hoekman et al., 2019). However, results across African countries are mixed. While reservation and preference schemes often expand access, their impact on contract value captured, firm growth, and public service outcomes depends heavily on proper enforcement, transparent verification systems, and post-award capacity support (Hivos, 2018). This suggests that AGPO-type initiatives in Africa hold promise, but they must be accompanied by robust governance and capacity-building to achieve real socio-economic change.

Kenya's Perspective on AGPO Initiatives

Kenya's AGPO program is a flagship example of affirmative procurement in Africa. Launched in 2013, it requires that 30% of all government procurement opportunities be reserved for youth, women, and persons with disabilities. The framework is grounded in the Constitution of Kenya (2010) and operationalised through the Public Procurement and Asset Disposal Act (2015) (Republic of Kenya, 2013).

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Through AGPO, the government introduced certification systems, simplified tender documentation for reserved groups, and sensitisation campaigns to encourage uptake (National Treasury, n.d.; WTO Chairs, n.d.). Evaluations indicate that AGPO has significantly increased the number of registered firms from these groups, expanding their nominal participation in tenders (Hivos, 2018). However, implementation challenges persist: limited contract absorption (many awards fall below the 30% threshold in value), lack of timely access to procurement information, financial and technical capacity constraints among beneficiaries, and weak monitoring of compliance (Wazir & Achuora, 2020). These findings highlight that while AGPO has opened doors, sustained impact depends on addressing systemic barriers, improving transparency, and investing in supplier development.

Water Companies in Kenya

Water service provision is one of the most essential public services in Kenya, directly affecting health, livelihoods, and local economies. Oversight is provided by the Water Services Regulatory Board (WASREB), which monitors performance across licensed water service providers. WASREB reports consistently show wide disparities in service coverage, cost recovery, and reliability, with many utilities struggling to remain financially sustainable (WASREB, 2024).

Procurement plays a central role in water service efficiency. Utilities depend on effective procurement to secure chemicals for treatment, spare parts, pumps, and construction works. Audit reports, however, frequently highlight procurement inefficiencies, governance lapses, and cost overruns that compromise service standards (Office of the Auditor-General, 2023). Within this context, implementing AGPO in water companies could both enhance inclusivity and improve operational performance if managed well. By engaging local suppliers and disadvantaged groups through transparent procurement, utilities can promote community ownership, reduce bureaucratic delays, and ensure timely repairs. On the other hand, weak implementation risks opening opportunities for opportunistic contracting and substandard supplies.

In Murang'a County, water companies such as MUWASCO and its counterparts in Murang'a West and Murang'a South operate within this regulatory framework. Their experience illustrates the importance of tailoring AGPO implementation to sector-specific realities, supported by capacity-building for both suppliers and utility staff. Stronger oversight and compliance with AGPO guidelines could translate inclusive procurement into tangible improvements in water service delivery.

Statement of the Problem

Despite nearly a decade of implementation, however, AGPO's impact remains mixed. Existing studies report persistent challenges, including limited access to procurement information, low contract absorption rates, inadequate technical and financial capacity among beneficiary groups, and weak compliance by procuring entities (Hivos, 2018; Wazir & Achuora, 2020). These challenges raise questions about whether AGPO has achieved its broader objective of improving service delivery efficiency, particularly in critical public service sectors. The water sector illustrates this concern clearly. In Kenya, water companies regulated by the Water Services Regulatory Board (WASREB) have repeatedly been flagged for procurement delays, governance weaknesses, and inefficiencies that compromise service reliability (WASREB, 2024; Office of the Auditor-General, 2023). In Murang'a County specifically, where five licensed water companies serve a growing population, such inefficiencies have contributed to low coverage, high non-revenue water, and inconsistent service provision. Although AGPO is designed to address

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these inefficiencies by enabling timely procurement, reducing bureaucratic bottlenecks, and empowering local suppliers, there is limited empirical evidence to confirm whether these intended benefits are materialising within the water sector. Without such evidence, AGPO risks being reduced to a symbolic inclusion policy rather than functioning as a genuine driver of efficiency and accountability in public service delivery. This study, therefore, seeks to examine the effect of AGPO implementation on the efficiency of water service delivery in Murang'a County. By focusing on how access to procurement opportunities influences procurement timeliness, supplier empowerment, and operational performance, the study aims to generate evidence that can inform both policy implementation and regulatory oversight in Kenya's water sector.

Objective of the Study

To evaluate the effect of access to government procurement opportunities on the service delivery of water companies in Murang'a County

Research Hypothesis

$H0_1$: There is no statistically significant effect on access to government procurement opportunities on the service delivery of water companies in Murang'a County

LITERATURE REVIEW

Theoretical Review

Agency Theory

This study is grounded in Agency Theory, which provides a useful lens for understanding the relationship between government procuring entities and suppliers. Agency Theory, originally articulated by Jensen and Meckling (1976), explains how principals (those who delegate authority, such as government agencies) interact with agents (those delegated to perform tasks, such as suppliers or contractors). The theory highlights the challenges of accountability, incentives, and information asymmetry in such relationships.

In the context of AGPO, the government and regulators act as principals, establishing procurement rules and allocating opportunities, while suppliers, particularly youth, women, and persons with disabilities, serve as agents tasked with delivering goods, works, or services. Inefficiencies often arise when there are weak monitoring systems, conflicting interests, or capacity gaps among agents. Agency Theory suggests that inclusive procurement frameworks like AGPO can enhance efficiency if they are supported by clear accountability structures, transparent information flow, and appropriate incentives for suppliers. Thus, Agency Theory aligns directly with the current study's focus by linking AGPO access (independent variable) to outcomes such as procurement timeliness, reduced bureaucratic bottlenecks, and improved service delivery efficiency (dependent variable).

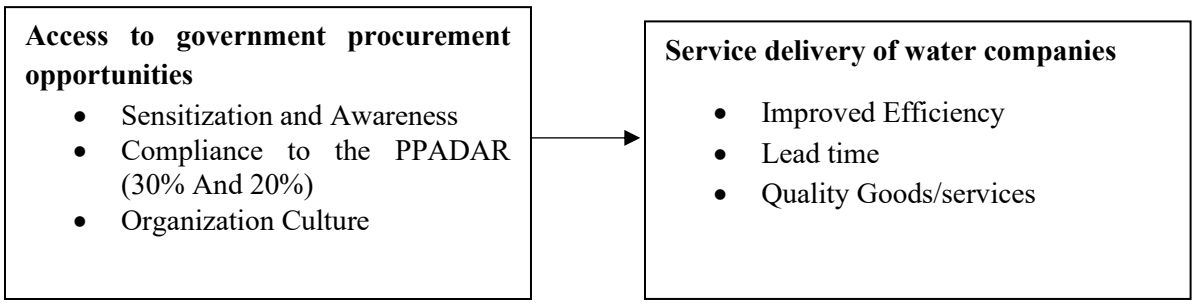
Conceptual Framework

This study is anchored on Agency Theory, which emphasises the relationship between principals (government regulators and procuring entities) and agents (suppliers and contractors). The framework assumes that inefficiencies in service delivery arise from information asymmetry, weak monitoring, and misaligned incentives. The Access to Government Procurement Opportunities (AGPO) program is designed to reduce these inefficiencies by creating opportunities for disadvantaged groups while improving procurement efficiency.

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Figure 1: Conceptual Framework



The framework posits that when AGPO is effectively implemented through sensitisation and compliance with procurement laws, water companies are more likely to achieve efficiency in procurement processes. This translates into improved service delivery, reflected in reduced complaints, higher efficiency, shorter lead times, and better quality of goods and services.

METHODOLOGY

The study adopted a descriptive survey design, which is suitable for collecting data from a defined population to describe existing conditions and test relationships between variables (Creswell & Creswell, 2018). This design is appropriate because it allows for both descriptive and inferential statistical analysis. The target population consisted of 240 management staff working in procurement and user departments across the five licensed water companies in Murang'a County (MUWASCO, Murang'a South, Murang'a West, Gatanga, and Kahuti). The choice of this population is informed by the fact that these staff are directly involved in procurement and service delivery. A sample of 150 respondents was determined using Yamane's (1967) formula at a 95% confidence level and a 5% margin of error. Stratified random sampling was applied to ensure representativeness across departments such as procurement, finance, and operations. The study employed structured questionnaires as the primary tool for data collection. Questionnaires are widely used in survey research because they allow systematic data gathering from large groups in a cost-effective manner (Creswell & Creswell, 2018). Quantitative data was analysed using the Statistical Package for Social Sciences (SPSS). Descriptive statistics such as frequencies, percentages, and means were used to summarise data, while inferential statistics, particularly regression analysis, were employed to determine the effect of AGPO on service delivery efficiency (Mugenda & Mugenda, 2003). Simple regression analysis assisted in helping to assess the effect of AGPO on the service delivery of Murang'a County. The regression analysis model formula was as follows; $Y=\beta_0+\beta1\ X1+\varepsilon$, whereby: Y= Service delivery, β0= Constant, β1, =Coefficients for the determinant, X_1= AGPO and ε = Error term

DATA ANALYSIS

AGPO Regulation

The findings of this study in Table 1 highlight how AGPO has influenced procurement and service delivery in water companies, as reflected in both the mean responses and the standard deviation values. For the statement on sensitisation and awareness before tender advertisement, the mean score was 1.41 with a low standard deviation of 0.578. This shows that respondents strongly disagreed, and their views were highly consistent. This indicates that sensitisation and awareness activities are not adequately conducted before tenders. This indicates a major weakness in AGPO implementation, as limited awareness creates barriers to full participation by disadvantaged groups. When

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respondents were asked whether AGPO groups have a positive impact on the delivery of requirements, the mean score was 4.07 with a standard deviation of 0.718. This reflects strong agreement that AGPO suppliers contribute positively to service delivery, though with moderate variation in responses. While most respondents acknowledged the positive role of AGPO enterprises, a few expressed weaker levels of agreement, pointing to varying experiences across companies. Further, on the statement on whether access to the 30% reservation has improved company performance, a mean of 4.12 and a standard deviation of 0.757 were recorded. which shows a strong consensus that AGPO has improved organisational performance, although some respondents were less emphatic than others. The result demonstrates that the reservation policy has been effective in enhancing procurement outcomes, but it may not be experienced uniformly across all firms. Regarding preference for local suppliers based on qualifications, the mean was 4.13 with an SD of 0.702, the highest mean score in this section. Respondents strongly agreed that their organisations actively apply local content requirements, whereby the relatively low variation further indicates that this is a widely accepted practice, confirming that AGPO has enhanced inclusivity in procurement by empowering local suppliers. On whether AGPO suppliers have increased the supplier base, the mean score was 4.03 and the SD 0.766, demonstrating agreement that the program has expanded vendor diversity, though the moderate variation suggests that not all respondents observed the same level of supplier growth. Nonetheless, the results point to AGPO's success in broadening competition and reducing over-reliance on a limited pool of contractors. Further, the waiver of tender securities was also rated highly, with a mean of 4.10 and an SD of 0.781, indicating that respondents strongly agreed that the waiver has encouraged greater participation by disadvantaged enterprises. The moderate variation implies that while the benefit of tender security waivers is widely acknowledged, some organisations may not experience the impact to the same extent. Finally, on whether AGPO enterprises meet quality delivery agreements, the mean score was 2.07, with the highest variation (SD = 0.805). Respondents largely disagreed that AGPO suppliers consistently meet quality standards, though opinions were more divided compared to other items. This indicates that while many respondents have experienced quality challenges with AGPO suppliers, others have observed partial or satisfactory compliance. The results reveal a gap between improved access and the actual capacity of AGPO enterprises to deliver quality goods and services.

Table 1: Influence AGPO Regulation

AGPO	N	Mean	Std. Dev.
Sensitisation and awareness for AGPO is done before the tender advertisement in your company	91	1.41	0.578
The AGPO group have a positive impact on the delivery of our requirements	91	4.07	0.718
Access to 30% of all procurement, as reserved for AGPO, has improved performance in your company	91	4.12	0.757
My organisation gives preference to local suppliers based on their qualifications	91	4.13	0.702
AGPO suppliers has increased the supplier base from which requirements are purchased	91	4.03	0.766
Waiver of tender securities has increased AGPO's participation in public tenders	91	4.10	0.781
AGPO enterprises meet the quality delivery agreement.	91	2.07	0.805

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Service Delivery of Water Companies

The analysis of service delivery outcomes in water companies is presented in Table 2 where the mean provides the general perception of respondents, while the SD explains how consistent or varied those views were. For the statement that timely delivery of goods boosts employee productivity, the mean was 4.16, showing that most respondents agreed with this view, while the low SD of 0.654 indicates that responses were fairly consistent, with very few dissenting opinions. This suggests that respondents generally recognised that the timely procurement and supply of goods reduces work disruptions and allows employees to be more productive. Further, respondents also strongly agreed that services in the organisation are easily accessible as goods and services are delivered promptly, with a mean of 4.20, where the SD of 0.687 was low, indicating high consensus. This finding highlights that timely delivery not only improves operations but also enhances accessibility of services to end-users, making service provision more reliable. In the enquiry to respondents whether delivered goods ensured safety, thereby enhancing service delivery, respondents recorded a mean of 4.34, indicating strong agreement, while the SD of 0.734 shows consistent views, though with slightly more variation compared to earlier items. This implies that most respondents agreed safety of goods and materials procured is an important factor in maintaining the quality and reliability of water service delivery. The highest agreement was recorded in the statement that user departments within the company have few complaints, with a mean of 4.85, where the very low SD of 0.363 reflects an exceptionally strong consensus. This means that across companies, most respondents consistently affirmed that procurement and service delivery systems have reduced complaints, pointing to improved internal satisfaction with processes and outcomes. However, when asked if deliveries are made within timelines specified in the order or contract, the mean score dropped to 3.76, suggesting that responses leaned towards agreement but were less strong as the higher SD of 0.935 indicates greater variation in views, meaning that while many respondents agreed, others had different experiences in that some may have encountered delays pointing to inconsistency in supplier reliability and adherence to timelines. The results also showed very strong agreement that the quality of projects undertaken by the company has significantly improved, with a mean of 4.65 and a low SD of 0.480, whereby this finding reflects both strong consensus and positive perceptions, indicating that better procurement processes and supplier engagement have improved the quality of projects in the water sector. In contrast, goods and services provided by suppliers meeting required standards recorded the lowest mean score of 3.30, showing mixed or neutral perceptions with a SD of 1.362 being the highest in this section, highlighting wide variation in responses and this suggests that while some respondents felt suppliers met standards, others experienced poor-quality supplies hence the result points to inconsistent supplier performance, indicating that quality assurance remains a challenge in service delivery. Further, respondents strongly agreed that the availability of goods and services has improved service delivery, with a mean of 4.49. The SD of 0.751 shows that most respondents shared this view, though with moderate variation. This suggests that procurement reforms and processes have generally made goods more accessible, enabling more reliable service delivery. Finally, for the statement that services provided in the organisation are satisfactory, the mean was 4.12, which suggests agreement. However, the SD was 1.357, one of the highest recorded. This indicates highly varied responses: while many respondents rated services as satisfactory, others were neutral or even dissatisfied. This finding highlights differences in how water companies deliver services, with some performing better than others.

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Table 2: Service Delivery of Water Companies

Service Delivery	N	Mean	Std. D
The timely delivery of goods boosts employee productivity	91	4.16	0.654
Services in our organisation are easily accessible, as goods/services are delivered promptly	91	4.2	0.687
The delivered goods ensure safety, thereby enhancing service delivery	91	4.34	0.734
User departments within the Company have a few complaints	91	4.85	0.363
Deliveries are made within the timelines specified in the order/contract	91	3.76	0.935
The quality of projects undertaken by the Company has significantly improved	91	4.65	0.48
The goods/services provided by suppliers meet the required standards	91	3.3	1.362
There is availability of the goods/services, which has improved service delivery	91	4.49	0.751
The services provided in our organisation are satisfactory	91	4.12	1.357

Inferential Statistics

Model Summary for Access to Government Procurement Opportunities

The regression analysis in Table 3 indicates that AGPO implementation has a very strong relationship with service delivery in water companies. The correlation coefficient (R = 0.919) reflects a strong positive association between the independent variable (AGPO) and the dependent variable (service delivery). This means that as AGPO practices improve through sensitisation, compliance with procurement rules, and supportive organisational culture, service delivery outcomes also improve significantly. The coefficient of determination (R Square = 0.845) shows that 84.5% of the variation in service delivery can be attributed to AGPO-related factors. This high explanatory power highlights the central role AGPO plays in determining how effectively water companies deliver services, emphasising its importance as a policy tool for enhancing efficiency and accountability. The Adjusted R Square (0.834) further confirms the model's strength and reliability. Since it adjusts for the number of predictors and the sample size, this value indicates that even after correcting for possible bias, AGPO still accounts for about 83.4% of the changes in service delivery. The minimal difference between R Square and Adjusted R Square (only 0.011) suggests the model is both stable and not overfitted, meaning the results are generalizable beyond the sample studied. Finally, the Standard Error of the Estimate (0.141) is low, implying that the predicted values from the model are very close to the actual observed values. This demonstrates that the regression model provides an accurate and reliable fit to the data, with minimal prediction errors.

Table 3: Model summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	0.919[a]	0.845	0.834	0.141

a. Dependent Variable: Service delivery of water companies

Predictors: (Constant), Access to Government Procurement Opportunities

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ANOVA for AGPO

The ANOVA findings in Table 4 provide strong evidence that the regression model linking AGPO implementation to service delivery in water companies is statistically significant. The regression sums of squares (9.670) compared with the total sum of squares (11.346) shows that the model accounts for the vast majority of variation in service delivery outcomes. Only a small fraction of variation remains unexplained, as reflected in the residual sum of squares (1.676). This demonstrates the high explanatory power of AGPO factors in influencing service delivery. The degrees of freedom (df = 3 for regression; 87 for residual) correspond to the number of predictors in the model and the sample size adjusted for those predictors. The mean square for regression (3.520) is substantially larger than the mean square for residuals (0.019), indicating that the variation explained by AGPO far exceeds the random or unexplained variation. The model's strength is further confirmed by the very high F-statistic (177.15). Such a large F-value, coupled with a p-value (Sig.) of 0.000, well below the conventional threshold of 0.05, confirms that the overall model is statistically significant. Put simply, the null hypothesis that AGPO has no effect on service delivery is rejected. This means that AGPO implementation has a clear, measurable, and statistically significant impact on how effectively water companies deliver services.

Table 4: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.67	3	3.52	177.15	000
	Residual	1.676	87	0.019		
	Total	11.346	90			

a. Dependent Variable: Service delivery of water companies
b. Predictors: AGPO

Coefficients: AGPO

The regression results in Table 5 reveal the predictive relationship between AGPO implementation and service delivery in water companies. The model generated the following regression equation: Service delivery = 3.847 + 0.472AGPO. The constant (B = 3.847, $p < 0.001$) indicates that even without considering AGPO, water companies would achieve a baseline service delivery score of approximately 3.85 on the study scale. This represents the underlying level of efficiency based on other organisational or contextual factors. The regression coefficient for AGPO (B = 0.472, Beta = 0.761, t = 6.429, $p < 0.001$) shows that for every one-unit increase in AGPO implementation, such as through greater sensitisation, compliance with procurement regulations, or improved organisational culture, service delivery improves by 0.472 units. The positive and statistically significant coefficient confirms that AGPO has a strong and reliable influence on service delivery.

Table 5: Coefficient of AGPO

	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	**t**	**Sig.**
1 (Constant)	3.847	.276		13.927	.000
AGPO	.472	.052	.761	6.429	.000

a. Dependent Variable: Service delivery of water companies

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Hypothesis Testing

The study sought to test the null hypothesis ($H0_1$), which stated that: There is no statistically significant influence of Access to Government Procurement Opportunities (AGPO) on service delivery of water companies in Murang'a County. The regression results revealed that AGPO had a positive unstandardized coefficient of 0.472, with a standardised beta of 0.761. The corresponding t-value was 6.429, and the p-value was 0.000, which is far below the conventional threshold of 0.05. This indicates that the relationship between AGPO and service delivery is both strong and statistically significant. Based on the decision rule, the null hypothesis was rejected, leading to the conclusion that AGPO implementation significantly improves service delivery in water companies. In practical terms, this means that initiatives such as the 30% reservation of procurement opportunities, the waiver of tender securities, and preferential treatment for local suppliers positively influence procurement timeliness, reduce bureaucratic delays, and expand supplier diversity. These results confirm that AGPO is not only a tool for inclusivity but also a critical driver of efficiency and performance in public service provision within the

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary

The findings of this study demonstrate that Access to Government Procurement Opportunities (AGPO) has a strong and statistically significant influence on the service delivery of water companies in Murang'a County. The regression analysis showed a high correlation coefficient ($R = 0.919$) and a coefficient of determination ($R^2 = 0.845$), meaning that AGPO accounts for approximately 84.5% of the variation in service delivery. The regression coefficient for AGPO ($B = 0.472$, $p = 0.000$) confirmed that improvements in AGPO practices lead to measurable gains in procurement efficiency, timeliness, and supplier diversity. However, the results also revealed weaknesses, particularly in sensitisation and awareness creation, and concerns about the ability of AGPO enterprises to consistently meet quality standards.

Conclusions

The study concludes that AGPO is a critical policy instrument for improving procurement efficiency and public service outcomes in the water sector. Its implementation has positively influenced service delivery through enhanced participation of disadvantaged groups, expanded supplier bases, and reduced procurement barriers. The findings also validate the Agency Theory framework, demonstrating that aligning the interests of procuring entities and AGPO suppliers fosters accountability and better outcomes. Nonetheless, challenges remain in areas such as awareness creation, compliance monitoring, and supplier capacity to meet quality requirements. Without addressing these gaps, the full potential of AGPO may not be realised, and inclusivity could risk becoming more symbolic than transformative.

Recommendations

Policy Recommendations

- Since the study established that lack of sensitisation and awareness creation is a key barrier to AGPO participation, it is recommended that the Public Procurement Regulatory Authority (PPRA), in collaboration with the Water Services Regulatory Board (WASREB), should mandate structured sensitisation programs for utilities. This would ensure disadvantaged groups are informed of opportunities and prepared to participate effectively.
- Given that quality compliance by AGPO enterprises was identified as a weakness, PPRA, KEBS, and WASREB should develop sector-specific quality assurance frameworks. By

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introducing minimum certification requirements and continuous training, suppliers will be better positioned to meet standards, thereby improving service delivery outcomes.

- The finding that AGPO increases supplier diversity and broadens participation justifies the need for stronger enforcement of the 30% rule. County governments, in partnership with PPRA and the Auditor-General's office, should monitor absorption rates by value (not just the number of awards) and publish compliance reports. This would enhance accountability and ensure that the intended benefits of AGPO translate into real outcomes on the ground.
- The study revealed that while AGPO boosts participation, many enterprises still face financial constraints that limit their performance. To address this, the National Treasury, through the AGPO Secretariat, alongside county finance and trade departments, should link AGPO-certified firms with credit facilities and government-backed guarantees such as the Women Enterprise Fund and Youth Enterprise Fund. This would ease financial barriers and improve delivery capacity.
- The strong evidence that AGPO significantly improves service delivery efficiency in the water sector suggests its potential value in other critical services such as health and education. Therefore, the Council of Governors (CoG), together with PPRA and relevant line ministries, should coordinate benchmarking and replication of successful AGPO practices across counties and sectors. This would scale up AGPO's positive impact while addressing common implementation gaps.

Management Recommendations

- At the management level, water companies have a direct role to play in strengthening the impact of AGPO. Procurement departments, supported by corporate communication units, should intensify sensitisation and awareness creation for AGPO opportunities before tender advertisements. This could be achieved through supplier forums, pre-bid training sessions, company websites, and community outreach programs. Further, management should work in collaboration with private sector partners such as the Kenya Private Sector Alliance (KEPSA) and the Kenya National Chamber of Commerce and Industry (KNCCI) to provide supplier capacity-building initiatives. These could include mentorship, technical workshops, and financial literacy programs that would help AGPO enterprises improve their quality and delivery standards.
- Internal audit units and procurement oversight committees within the water companies also have a responsibility to strengthen internal monitoring of AGPO contracts. By developing periodic performance reports and integrating them into board-level reviews, management can ensure accountability and timely corrective actions where challenges arise. In addition, procurement managers and tender evaluation committees should encourage supplier partnerships and joint ventures, allowing AGPO firms to collaborate with experienced suppliers on larger or more technical projects. Finally, ICT departments working alongside procurement offices should adopt e-procurement platforms compatible with IFMIS to streamline processes, reduce paperwork, and enhance transparency in AGPO tenders.

Recommendations for Further Studies

Future research should broaden the scope beyond Murang'a County to include comparative analyses across multiple counties or sectors, such as health and education, to assess whether AGPO has similar efficiency impacts in other critical services. There is also a need for longitudinal studies that track AGPO firms over time to evaluate whether participation translates into sustainable growth and long-term improvements in service delivery. In addition,

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further studies could investigate the role of complementary interventions, such as supplier training, access to credit, and e-procurement systems, in strengthening AGPO outcomes. Finally, examining the intersection of AGPO with issues of ethics, governance, and quality assurance could provide deeper insights into how inclusivity initiatives can be optimised for both equity and efficiency in public procurement.

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