



PROCUREMENT CONTRACTS RISK MANAGEMENT AND PROCUREMENT PERFORMANCE IN THE JUSTICE SECTOR IN NAIROBI CITY COUNTY, KENYA

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ABSTRACT

Despite the critical role of procurement in the justice sector, there remains a significant gap in understanding how inadequate risk management practices contribute to inefficiencies, cost overruns, and delays in procurement performance, particularly within the resource-constrained environment of Nairobi City County, Kenya. This study sought to investigate the influence of procurement contract risk management on procurement performance within the justice sector in Nairobi City County, Kenya. The research focused on key aspects of procurement contracts risk management: contracts risk mitigation measures, and contracts risk monitoring tools. The study employed a descriptive research design, targeting a population of 100 procurement contracts across various entities within the justice sector, including superior courts, magistrate courts, and other judicial bodies. Using the Krejcie and Morgan formula, a sample size of 80 respondents was determined, and data was collected through structured questionnaires distributed via a drop-and-pick method. The research utilized stratified sampling to ensure representativeness, followed by simple random sampling within each stratum. Data analysis was conducted using SPSS version 28, with both descriptive and inferential statistics applied. Pearson correlation and multiple regression analysis were used to explore the relationships between the variables and their impact on procurement performance. The study's regression analysis revealed that all four procurement contract risk management variables significantly influence procurement performance within the justice sector in Nairobi City County, Kenya. The coefficients showed that contracts risk mitigation measures had the strongest positive impact on procurement performance ($\beta = 0.538$, $p < 0.01$), followed by contracts risk monitoring tools ($\beta = 0.429$, $p < 0.01$). Strong risk mitigation measures, continuous monitoring through advanced tools, significantly contribute to improved procurement outcomes. These practices help prevent disruptions, ensure timely and cost-effective procurement processes, and maintain compliance with regulatory standards. The study recommends that organizations in the justice sector prioritize the development and implementation of comprehensive risk mitigation strategies to minimize procurement disruptions. Investing in advanced risk monitoring tools is essential for real-time risk management.

Key Words: Procurement Contract Risk Management, Procurement Performance, Justice Sector, Contracts Risk Mitigation Measures, Contracts Risk Monitoring Tools

Background of the Study

Procurement is a critical function in the judicial sector, ensuring that courts and related entities have the resources necessary to uphold justice efficiently (Munyi, 2024). However, the complexity of procurement contracts, particularly within a sector governed by stringent legal frameworks, presents significant challenges. Effective management of procurement contracts is essential, but the associated risks—such as legal disputes, financial uncertainties, and compliance with public procurement regulations—can jeopardize the success of these contracts if not properly managed. As Leimo and El-Abyad (2023) emphasize, robust risk management in procurement within the judicial sector is crucial for maintaining the integrity and reliability of these processes. This underscores the importance of implementing risk management strategies to enhance procurement performance and improve the overall efficiency of judicial operations (Ntawiniga, 2024).

The judicial sector operates under strict legal standards, necessitating meticulously managed procurement processes to avoid potential pitfalls. Contracts within this sector are often complex, requiring careful administration to prevent risks that could lead to project delays, increased costs, or even legal disputes. For example, Ntawiniga (2024) highlights that public construction contracts in this sector are particularly susceptible to risks that, if not managed properly, can hinder successful project completion.

Furthermore, the performance of procurement activities is closely linked to the effectiveness of contract management. Vasiu and Vasiu (2023) argue that the legal framework within which these activities occur provides essential guidelines for mitigating risks and ensuring that procurement processes are both efficient and effective. Without such frameworks, the likelihood of inefficiencies and procurement failures increases, potentially undermining the judicial system's ability to function optimally. This emphasizes the necessity of focusing on risk management in procurement, particularly in a sector where the stakes are exceptionally high.

Historically, the concept of risk has been a fundamental aspect of decision-making, dating back to the Athenians, who assessed risks before making critical decisions (Bernstein, 1996). In today's unpredictable world, contractual risk management has become a necessity in all procurement contracts. The failure to implement contracts due to unmanaged contractual risks continues to impede procurement performance (Kamoni, Rotich, & Ochiri, 2018). To minimize these risks, ethical practices such as the implementation of a Supply Chain Generic ICT plan are critical. Ngaji and Achuora (2019) stress the importance of tracing potential conflicts of interest as a way to mitigate risks in supply chain management. Additionally, monitoring areas where the disclosure of information is necessary can prevent the occurrence of contractual risks.

The impact of global events on procurement contracts is evident, as seen during the 2020 global recession, which led to a 4.9% economic downturn due to the unprecedented COVID-19 pandemic, the most significant economic disruption since the Great Depression (Fagundes, Teles, Melo, & Freires, 2020). To avoid the occurrence of risks, maintaining long-term supplier relationships is crucial, as short-term transactional approaches often dominate in public sector entities in Kenya (Amemba, Getuno, Osoro, & Aduma, 2015). While procurement contract risks cannot be entirely eliminated, they can be managed to an optimal level (Aduma & Kimutai, 2018).

The State of the Judiciary and the Administration of Justice (SOJAR) Annual Report (2020-2021) highlighted the judiciary's accountability measures, stating that guidelines had been developed to prevent risks in the supply chain, ready for discussion and dissemination. Additionally, under the Governance, Justice, Law, and Order Sector (GJLOS) Report for the Medium-Term Expenditure Framework (MTEF) Period 2023/2024–2025/2026, the justice sector is classified as part of the UN-Classification of the Functions of Government (COFOG) (GJLOS, 2022). Chapter 10 of the Constitution of Kenya (2010) mandates the judiciary to

administer justice, further underscoring the importance of effective procurement risk management.

Given the complexities and risks associated with procurement in the judicial sector, this study aimed to explore the relationship between procurement contracts, risk management, and procurement performance. Specifically, the study focused on identifying the key risks inherent in procurement contracts within the judicial sector, examining how these risks are managed, and evaluating the impact of risk management practices on procurement performance. By providing a deeper understanding of these dynamics, the study sought to contribute to the development of more effective procurement strategies that enhance the efficiency and effectiveness of judicial operations.

Statement of the Problem

Wayono and Tambo (2021) in their research on the Effects of the Adoption of Transparency and Accountability Practices on the Procurement Performance of the Judiciary, in Kenya found that the inclusion of suppliers' relationships reduces risk through transparency and accountability from all key players in the contracts. Procurement performance is a determinant on how contractual risks are managed and reduced. Nyawanga and Otinga (2021) Okonjo, Magutu, and Nyaoga (2014) observed that 64.6 % of Performance in the Supply Chain is due to risk emanating from procurement management practices while the other 35.4% is due to other factors hence a need for more research.

In ensuring accountability through the prevention of risks in the Supply Chain, a guideline was developed in the functional area so as to reduce, avoid, and share risks where applicable by ensuring contracts are finalized as planned and within the time stipulated. State of the Judiciary and the Administration of Justice (SOJAR) Annual Report 2020-2021. Gatari, Shale &Osoro (2022) in their research analyzed that a change in procurement contract management can be due to a risk that changes the performance of an organization by 45.1%.

Studies looking at Procurement Contracts risk management have been done. Okonjo, Magutu, and Nyaoga (2014) established the relationship between procurement risk management practices and supply chain performance among mobile phone service providers in Kenya. Ondore, Obura, Odondo (2018) researched on the Relationship between Procurement Risk Management Strategies and the Procurement Performance of Sugar Firms in Kenya. Few have looked into risks in contracts but risk as a whole. Studies on the Judiciary procurement performance and contracts have been done. RN Mesa (2018) researched procurement performance in the Judiciary department at the Nakuru Law Courts, Kenya. Ntooki and Kyule (2021) explored on influence of electronic procurement practice on organizational performance at the Judiciary, in Kenya. Limo, Iravo &Lagat (2017) studied the effects of Pre- Qualification of Suppliers on the Procurement Performance of the Judiciary in Kenya. Although researchers have ventured into the areas of procurement contracts management in the judiciary, none has researched the area of risk management in procurement contracts in the Judiciary in Nairobi City County.

1.3 Objectives of the Study

The general objective of the study was to investigate the influence of procurement contracts risk management and procurement performance in the justice sector in Nairobi City County, Kenya.

The study was guided by the following specific objectives;

- i. To assess the influence of contracts risk mitigation measures on procurement performance in the justice sector in Nairobi County, Kenya.
- ii. To establish the influence of contracts risk monitoring tools on procurement performance in the justice sector in Nairobi County, Kenya.

LITERATURE REVIEW

Theoretical Review

Theory of Constraints

The Theory of Constraints (TOC), introduced by Eliyahu Goldratt in his 1984 book *The Goal*, is a management philosophy that emphasizes the importance of identifying and managing constraints within an organization to maximize overall performance and efficiency (Goldratt, 1984). In the context of this study, which focuses on the influence of procurement contracts risk management on procurement performance in the justice sector in Nairobi City County, Kenya, TOC is particularly relevant to the variable of risk mitigation. Risk mitigation can be conceptualized as the process of identifying and addressing constraints—specifically, the risks that could potentially disrupt or hinder the performance of procurement contracts.

TOC provides a structured approach to managing these constraints. The first step involves identifying the most critical risks, which are analogous to the system constraints in TOC. These risks might include legal challenges, financial limitations, or project delays, all of which could significantly impact the procurement process if not managed effectively. Once these risks are identified, the next step involves developing strategies to mitigate them, effectively exploiting the constraints to minimize their adverse effects on procurement performance.

Following the identification and exploitation of these risks, TOC suggests that all other processes within the procurement framework should be adjusted or subordinated to support the risk mitigation efforts. This means that every aspect of the procurement process must be aligned to ensure that the identified risks are effectively managed. For example, if a financial constraint is identified as a major risk, then the budgeting and financial oversight processes must be adapted to ensure that this risk is continuously monitored and mitigated.

As the risk mitigation strategies are implemented, TOC advocates for elevating the constraints, which in this context means improving the overall resilience of the procurement process. This could involve enhancing contractor oversight, strengthening legal frameworks, or improving communication channels between stakeholders. The goal is to not only manage the current risks but also to build capacity to handle future risks more effectively.

Finally, TOC promotes the idea of continuous improvement. Once the initial constraints have been mitigated, the process does not stop; instead, it begins again with the identification of new or remaining risks. This iterative process ensures that the procurement process is continuously optimized, with risks being managed in a proactive and dynamic manner.

In this study, TOC's framework was applied to understand how effective risk mitigation—viewed as a process of managing constraints—can lead to improved procurement outcomes in the justice sector. By systematically addressing these constraints, the study aims to demonstrate that robust risk mitigation strategies can significantly enhance procurement performance, leading to better outcomes in terms of time, cost, and overall satisfaction with the procurement process in Nairobi City County's justice sector.

Prospect Theory

Prospect Theory, formulated by Daniel Kahneman and Amos Tversky in 1979, provides insights into decision-making under conditions of risk, particularly when individuals are faced with two alternatives. The theory posits that people evaluate potential losses and gains differently, often giving more weight to potential gains than to equivalent losses (Tversky & Kahneman, 1992). This behavior is influenced by a reference point, which serves as a benchmark for decision-making. Individuals tend to exhibit a mix of risk-seeking and risk-averse behaviors depending on how a situation is framed relative to this reference point.

In the context of procurement in the justice sector, Prospect Theory is relevant in understanding how project owners and procurement officers make decisions during the contractor selection

process. For instance, Chen, Zhang, Liu, and Hu (2015) applied Prospect Theory to assess risk levels during the bidding stage of construction projects, highlighting its importance in selecting the most suitable contractor. Their findings indicated that because construction projects often involve substantial financial resources, behavioral economics, and specifically Prospect Theory, are essential for understanding how evaluators make decisions that can significantly impact the project's success. This theory can be applied in this study to examine how project owners in the justice sector select contractors after bidding, and how their selection criteria can mitigate the risks associated with contracting.

Furthermore, Ahn, Lee, and Steel (2014) demonstrated that Prospect Theory could be applied to construction projects by assessing the influence of social norms on decision-making processes, such as contractor selection and management. Even seemingly minor decisions, like selecting contractors for small tasks, can accumulate and have significant implications for the overall project budget and success. Prospect Theory, therefore, is useful in identifying and addressing small yet critical details that could pose risks during the contractor selection process.

Tversky and Kahneman (1992) also emphasized that individuals' risk preferences—whether they are risk-averse or risk-seeking—are influenced by their position relative to a reference point. In the context of this study, the main contractor's day-to-day decisions on the project can be evaluated through the lens of Prospect Theory, which helps to understand how these decisions might influence the project's cost, schedule, and overall success. By applying this theory, the study seeks to demonstrate how the project owner can anticipate and mitigate losses that arise from irrational behavioral patterns in contractor decision-making.

Additionally, Prospect Theory can aid the project owner in the early detection of contracting problems, enabling timely interventions to prevent minor issues from escalating into significant financial losses. By focusing on the behavioral aspects of decision-making, the application of Prospect Theory in this study provides a framework for improving the selection and supervision of contractors, thereby enhancing the overall performance and risk management of procurement contracts in the justice sector.

Conceptual Framework

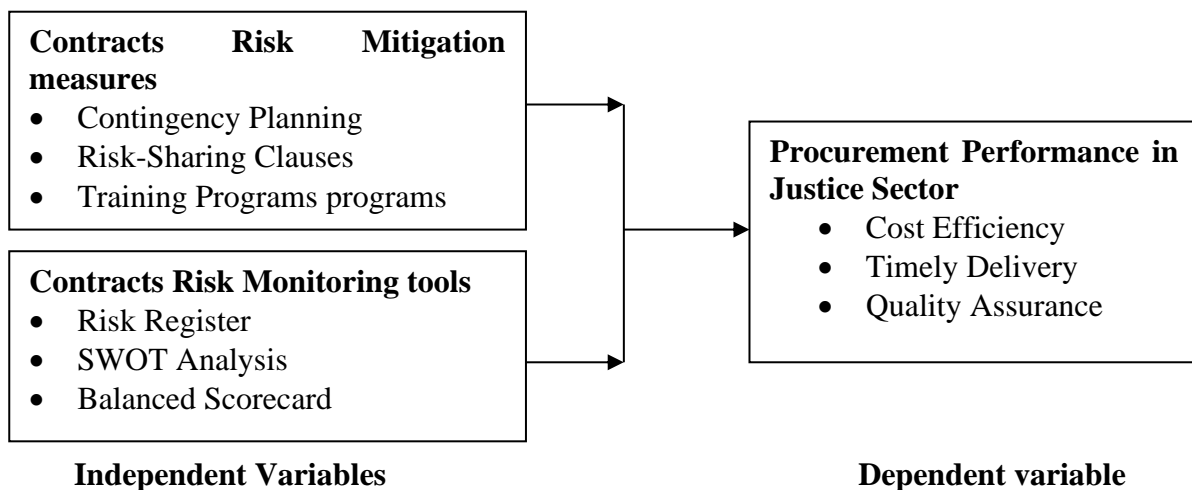


Figure 2. 1: Conceptual Framework

Contracts Risk Mitigation Measures

Contracts risk mitigation is a crucial component of the risk management process, particularly in the procurement activities of the justice sector. This variable focuses on the strategies and measures implemented to minimize the impact of identified risks on procurement contracts. Effective risk mitigation not only safeguards the project's objectives but also ensures that

potential disruptions are handled proactively, thus maintaining the integrity of the procurement process (Smith & Merritt, 2020).

One of the primary risk mitigation measures is the development of contingency plans, which provide alternative actions that can be implemented if a risk materializes. Contingency planning is vital in the justice sector, where the complexity of procurement contracts often exposes projects to unforeseen risks. According to Jones and George (2021), having a well-defined contingency plan allows project managers to respond swiftly to risks, minimizing their impact on cost, time, and quality. These plans typically include predefined steps for handling specific risks, such as legal challenges or contractor non-performance, ensuring that the project can continue with minimal disruption.

Another essential risk mitigation measure involves the inclusion of risk-sharing clauses in contracts. These clauses outline how risks are distributed between the contracting parties, which can reduce the burden on a single entity and encourage cooperative risk management. Mason and Johnson (2021) emphasize that risk-sharing agreements are particularly effective in large-scale procurement contracts within the justice sector, where the financial and operational stakes are high. By clearly defining each party's responsibilities in mitigating risks, these clauses help to prevent disputes and ensure that all parties are aligned in their approach to risk management.

Training and capacity building for procurement personnel are also critical risk mitigation strategies. Well-trained staff are better equipped to identify, assess, and manage risks throughout the procurement process. Mwangi and Otieno (2021) argue that continuous professional development for procurement officers in the justice sector can significantly enhance their ability to implement effective risk mitigation measures. This training includes staying updated on the latest legal requirements, understanding the nuances of contract law, and learning best practices in risk management. By improving the skills and knowledge of procurement teams, organizations can ensure that risks are managed more effectively.

The use of advanced technology and data analytics is increasingly becoming a vital tool in risk mitigation. With the advent of big data and predictive analytics, procurement teams can now anticipate risks before they occur, allowing for more proactive management. Kamau and Wanjiru (2022) highlight that in the justice sector, leveraging technology to monitor contract performance and flag potential risks can lead to more timely interventions, reducing the likelihood of project delays or cost overruns. Technology also facilitates better communication and coordination among stakeholders, which is essential for effective risk management.

Therefore, contracts risk mitigation measures are essential for ensuring the successful execution of procurement contracts, particularly in the justice sector. By implementing contingency plans, incorporating risk-sharing clauses, investing in training, and utilizing advanced technology, organizations can significantly reduce the impact of risks on procurement performance. These strategies not only protect the project's objectives but also contribute to the overall efficiency and effectiveness of the procurement process (Hassan & Omwenga, 2023).

Contracts Risk Monitoring Tools

Contracts risk monitoring is an ongoing process that ensures that identified risks are continuously tracked, assessed, and managed throughout the lifecycle of a procurement contract. In the justice sector, where procurement contracts are often complex and involve multiple stakeholders, effective risk monitoring is essential to ensure that potential issues are identified and addressed promptly. This variable focuses on the tools and methodologies used to monitor risks in procurement contracts, providing a structured approach to managing risks as they evolve (Smith & Merritt, 2020).

One of the primary tools for risk monitoring is the risk register, a document that tracks all identified risks, including their status, impact, and the mitigation actions taken. The risk register is a dynamic tool that is updated regularly to reflect the current risk environment. According to Jones and George (2021), the use of a risk register in the justice sector helps procurement managers maintain a clear overview of all risks, ensuring that none are overlooked or neglected. This tool also facilitates communication among stakeholders, as it provides a transparent record of how risks are being managed and the effectiveness of the mitigation strategies employed.

Another vital tool in risk monitoring is the use of Key Risk Indicators (KRIs). KRIs are metrics that signal potential risk events before they occur, allowing for proactive management. Mason and Johnson (2021) emphasize that KRIs are particularly useful in monitoring risks that can have a significant impact on procurement contracts, such as delays in project timelines, financial overruns, or compliance issues. In the justice sector, KRIs can be tailored to monitor specific risks, such as contractor performance or adherence to legal requirements, providing early warnings that allow for timely intervention.

The integration of technology in risk monitoring has also become increasingly important. Tools such as risk management software and data analytics platforms enable real-time monitoring of contract risks, offering a more efficient and accurate way to track and respond to potential issues. Kamau and Wanjiru (2022) note that in the justice sector, the use of such technology allows for continuous risk assessment, which is crucial for maintaining control over complex procurement contracts. These tools can automatically update risk registers, generate reports, and alert managers to any changes in risk status, ensuring that no risk goes unnoticed.

Regular risk audits and reviews are also an essential part of the risk monitoring process. These audits involve a systematic examination of the risk management practices in place, ensuring that they are effective and that risks are being managed according to the plan. Mwangi and Otieno (2021) argue that conducting periodic risk audits in the justice sector helps identify any gaps in the risk management process, providing an opportunity to refine strategies and improve overall risk management. These reviews ensure that the risk monitoring tools in use are functioning as intended and that they provide accurate and timely information to decision-makers. Risk Register creates a list of items after evaluation of risks which includes time events occur, probabilities, and impacts. The register ensures that a reliable risk management strategy is developed to ensure the successful implementation of contracts. Kiarie, Ngugi, & Ogollah (2017).

Therefore, contracts risk monitoring tools are indispensable for managing procurement risks effectively in the justice sector. The use of risk registers, Key Risk Indicators, technology integration, and regular audits provides a comprehensive framework for monitoring risks throughout the contract lifecycle. By employing these tools, stakeholders can ensure that risks are identified, tracked, and managed proactively, thereby safeguarding the success of procurement contracts (Hassan & Omwenga, 2023).

Procurement Performance in Justice Sector

Procurement performance in the justice sector is a critical factor that influences the overall effectiveness and efficiency of judicial services. This variable examines how well procurement processes are managed, with a focus on key performance indicators such as regulatory compliance, cost efficiency, timeliness, and quality of goods and services procured. The performance of procurement directly impacts the delivery of justice, as inefficiencies or delays can significantly disrupt judicial operations and the administration of justice (Smith & Merritt, 2020).

Regulatory Compliance is a fundamental aspect of procurement performance in the justice sector. Ensuring that procurement processes adhere to established laws and regulations is crucial for maintaining transparency, fairness, and accountability. Non-compliance can lead to legal disputes, corruption, and a loss of public trust in the judicial system. According to Kamau

and Wanjiru (2022), strict adherence to procurement laws not only prevents legal complications but also enhances the integrity and credibility of the justice sector. In Nairobi City County, for instance, compliance with procurement regulations ensures that contracts are awarded and executed in a manner that upholds the rule of law and promotes public confidence in the judiciary.

Cost Efficiency is another vital indicator of procurement performance. Effective procurement should ensure that resources are utilized optimally, achieving value for money without compromising on quality. Cost efficiency in the justice sector involves adhering to budgetary constraints while still meeting the necessary standards for goods and services. Jones and George (2021) emphasize that cost overruns and budgetary inefficiencies can severely undermine the justice sector's ability to function effectively, as funds may need to be reallocated from other critical areas to cover unexpected expenses. Proper cost management is essential for sustaining the financial health of the justice system and ensuring that judicial services are delivered without unnecessary financial strain.

Quality is equally crucial in measuring procurement performance. The justice sector requires that the goods and services procured meet high-quality standards to ensure that judicial operations are not compromised. This includes everything from legal resources and technological tools to the construction and maintenance of court facilities. Poor quality in procured goods or services can lead to inefficiencies, increased maintenance costs, and even legal challenges, all of which can disrupt the smooth functioning of the justice system (Mwangi & Otieno, 2021). Therefore, maintaining stringent quality control measures throughout the procurement process is vital for ensuring that the judiciary can operate effectively.

Timeliness is also a key measure of procurement performance. The justice sector depends on the timely acquisition of goods and services to maintain its operations. Delays in procurement can cause backlogs in case management, hinder the implementation of new judicial initiatives, and generally slow down the administration of justice. Mason and Johnson (2021) argue that timely procurement is essential for the justice sector, as delays can have a ripple effect, negatively impacting case resolution times and the availability of essential courtroom resources. Ensuring that procurement timelines are met is therefore critical for the efficient delivery of justice.

Furthermore, risk management plays a significant role in procurement performance within the justice sector. The ability to identify, assess, and mitigate risks in procurement processes is crucial for ensuring that contracts are executed successfully. Effective risk management practices help to minimize the likelihood of disruptions, such as project delays or cost overruns, thereby safeguarding the successful delivery of judicial services (Hassan & Omwenga, 2023).

Therefore, procurement performance in the justice sector is a multifaceted variable that encompasses regulatory compliance, cost efficiency, quality, timeliness, and effective risk management. The careful management of these factors is essential for the smooth operation of judicial services, ensuring that the justice sector can fulfill its mandate without interruption. Continuous monitoring and improvement of procurement processes are vital to sustaining high levels of performance in Nairobi City County's justice sector and beyond.

Empirical Literature Review

Contracts Risk Mitigation Measures and Procurement Performance

Dhata, Kim, and Kim (2024) conducted a study on the effectiveness of risk mitigation measures in photovoltaic projects in South Korea. The study employed a quantitative research design, using a probabilistic approach to evaluate the impact of various risk mitigation strategies on project outcomes. The findings showed that implementing robust risk mitigation measures could reduce the impact of identified risks by 60%, leading to significantly improved project performance. The study concluded that risk mitigation is a critical component of successful

procurement, and recommended that organizations adopt comprehensive risk mitigation strategies tailored to the specific needs of their projects to enhance procurement performance.

Domie, Gawu, and Dodzi (2024) in Ghana conducted a study on supply chain management in the health sector, focusing on the role of risk mitigation measures. This mixed-methods study utilized a case study approach, collecting data through interviews and document reviews. The findings indicated that the adoption of strong, technology-driven risk mitigation measures led to a 70% reduction in procurement risks, which significantly enhanced the efficiency and reliability of procurement processes in the health sector. The study recommended that health institutions adopt similar measures to ensure better risk management and procurement outcomes.

Ntawiniga (2024) examined the effectiveness of risk mitigation measures in public construction projects in Rwanda. The study employed a descriptive research design, collecting qualitative data through focus groups and interviews. The research found that over 65% of risks were effectively mitigated through the implementation of appropriate risk mitigation measures, leading to improved procurement performance. The study concluded that the success of public construction projects depends heavily on the ability to implement effective risk mitigation strategies and recommended continuous training for procurement professionals in these techniques.

Rogers, Akims, and Kakwezi (2024) explored the effectiveness of contract management practices in the transportation industry in Rwanda, with an emphasis on risk mitigation measures. This study used a case study approach, collecting data through interviews and document analysis. The findings revealed that robust risk mitigation measures were essential in reducing procurement risks by 55%, which significantly improved the performance of procurement operations. The study recommended that transportation companies adopt and continuously update their risk mitigation strategies to cope with the dynamic nature of risks in the industry.

Kamoche and Wanyona (2024) in Kenya studied the impact of various procurement methods on the performance of construction projects, with a focus on risk mitigation measures. This mixed-methods study used surveys and interviews to gather data, and the analysis revealed that effective risk mitigation measures were crucial in achieving a 68% success rate in managing procurement risks. The study concluded that adopting comprehensive risk mitigation strategies is essential for the successful execution of construction projects, and recommended that such measures be standardized and integrated into the procurement processes.

Contracts Risk Monitoring Tools and Procurement Performance

Chen (2024) conducted a study on the role of Building Information Modeling (BIM) technology in facilitating integrated project delivery (IPD) in Singapore's construction industry, focusing on the effectiveness of risk monitoring tools. The study used a quantitative research design, employing statistical analysis to evaluate the impact of real-time risk monitoring tools. The findings showed that these tools were highly effective in reducing procurement risks by 65%, thereby improving project outcomes. The study concluded that the integration of advanced risk monitoring tools is essential for the success of construction projects, and recommended that such tools be widely adopted across the industry to enhance procurement performance.

Domie, Gawu, and Dodzi (2024) in Ghana examined the impact of risk monitoring tools on procurement performance in the health sector. This study employed a mixed-methods approach, using interviews and document reviews to gather data. The findings indicated that the implementation of advanced risk monitoring tools led to a 70% reduction in procurement risks, significantly enhancing the efficiency and reliability of procurement processes. The study recommended that health institutions continue to invest in and develop risk monitoring tools to improve procurement outcomes.

Munyi (2024) in Kenya explored the role of risk monitoring tools in supply chain management within the electricity energy sub-sector. This study used a survey research design with a quantitative approach, finding that the integration of real-time risk monitoring tools with supply chain management practices resulted in a 75% improvement in procurement efficiency. The study concluded that these tools are crucial for managing risks effectively and recommended their widespread adoption across the energy sector to enhance procurement performance.

Kamoche and Wanyona (2024) in Kenya evaluated the effectiveness of risk monitoring tools in managing procurement risks in construction projects. This mixed-methods study collected data through surveys and interviews, revealing that continuous monitoring of risks through advanced tools led to a 68% reduction in procurement risks. The study emphasized the importance of adopting modern monitoring technologies and recommended that these tools be integrated into the standard procurement processes for construction projects to ensure better risk management.

Chebets, Kithika, and Kamau (2024) conducted a study in Kenya that focused on the use of risk monitoring tools in the healthcare sector, particularly in county referral hospitals. The study employed a case study approach, using interviews and document analysis to gather data. The findings showed that the implementation of risk monitoring tools was critical in managing procurement processes, reducing risks by 60%, and improving overall procurement performance. The study recommended that healthcare institutions invest in and continuously upgrade their risk monitoring tools to keep pace with evolving risks and challenges in the sector.

RESEARCH METHODOLOGY

The study adopted the descriptive research design. The target population for this study comprised 100 procurement contracts across various entities within the justice sector in Nairobi City County, Kenya, as outlined in key reports such as the SOJAR 2020-2021 and GJLOS 2022. Specifically, the population included superior courts like the Supreme Court, Court of Appeal, and High Court at Milimani, as well as Magistrates Courts such as JKIA, Makadara, and Kibera. Additionally, the study targeted other judicial and legal institutions including the Kadhis Court, City Court, various Tribunals, the National Council on the Administration of Justice (NCAJ), the Council of Legal Education (CLE), and the National Committee on Criminal Justice Reforms (NCCJR). Broader governance bodies within the Governance, Justice, Law, and Order Sector (GJLOS) were also included, encompassing institutions such as the Judiciary, the Ethics and Anti-Corruption Commission (EACC), and the Office of the Director of Public Prosecutions (ODPP). The study used the Krejcie and Morgan (1970) formula to determine the size of the sample. The sample size was 80 respondents from Judicial procuring entities in Nairobi County. Stratified sampling was used.

The study collected primary data for analysis by the use of structured questionnaire. The study adopted the Mixed methods data analysis method where inferential and descriptive analysis were performed. Data was analyzed using SPSS version 28. Pearson R correlation was used to measure strength and the direction of linear relationship between variables. Multiple regression Analysis was used in this study because it uses the predictor variables in predicting the response variable.

RESEARCH FINDINGS AND DISCUSSIONS

The study targeted a sample of 80 procurement and contract managers from various judicial entities within Nairobi City County. Out of the 80 distributed questionnaires, 71 were completed and returned, resulting in a response rate of 89.2%. According to Mugenda and Mugenda (2013), a response rate of 70% and above is considered excellent for analysis and reporting. Therefore, the achieved response rate of 89.2% was deemed sufficient for further analysis and reporting of the study's findings.

Descriptive Statistics

The study utilized descriptive statistics to analyze responses to Likert scale questions related to the study variables. They used a 5-point Likert scale where 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree. The means and standard deviations were used to interpret the findings where a mean value of 1-1.4 was strongly disagree, 1.5-2.4 disagree, 2.5-3.4 neutral, 3.5-4.4 agree and 4.5-5 strongly agree. On the other hand, a standard deviation greater than 1.5, suggests that the responses were more diverse, with a wider range of scores across the participants.

Contracts Risk Mitigation Measures

The first objective of the study was to assess the influence of contracts risk mitigation measures on procurement performance in the justice sector in Nairobi County, Kenya. Respondents were therefore asked their level of agreement with statements on contracts risk mitigation measures. Table 1 presents summary of the findings obtained.

Table 1: Descriptive Analysis for Contracts Risk Mitigation Measures

Statement	Mean	Std. Dev.
My organization has effective risk mitigation strategies in place for procurement contracts.	3.889	1.062
Risk mitigation measures are implemented promptly in response to identified risks.	3.873	1.034
The organization allocates adequate resources for risk mitigation in procurement.	3.851	1.022
The effectiveness of risk mitigation measures is regularly evaluated.	3.833	1.054
Mitigation measures are customized to address specific risks in contracts.	3.881	1.019
The organization collaborates with stakeholders to implement risk mitigation measures.	3.861	1.040
Effective risk mitigation has led to a reduction in procurement delays.	3.845	1.029
Risk mitigation practices have positively impacted procurement performance.	3.836	1.013
Aggregate Score	3.862	1.039

Respondents were in agreement that their organization has effective risk mitigation strategies in place for procurement contracts (M= 3.889, SD= 1.062); that risk mitigation measures are implemented promptly in response to identified risks (M= 3.873, SD= 1.034); that the organization allocates adequate resources for risk mitigation in procurement (M= 3.851, SD= 1.022); and that the effectiveness of risk mitigation measures is regularly evaluated (M= 3.833, SD= 1.054). They further agreed that mitigation measures are customized to address specific risks in contracts (M= 3.881, SD= 1.019); that the organization collaborates with stakeholders to implement risk mitigation measures (M= 3.861, SD= 1.040); that effective risk mitigation has led to a reduction in procurement delays (M= 3.845, SD= 1.029); and that the risk mitigation practices have positively impacted procurement performance (M= 3.836, SD= 1.013).

The respondents' agreement on the effectiveness of risk mitigation measures, as shown by an aggregate mean of 3.862 (SD= 1.039), is consistent with findings from prior studies in the field. For example, Rogers, Akims, and Kakwezi (2024) highlighted that implementing proactive risk mitigation strategies in procurement processes significantly improved contract performance and reduced the likelihood of disruptions in the Rwanda Interlink Transport Company. Similarly, Njeri and Gachoka (2021) found that in the Kenyan public procurement sector, organizations that employed tailored risk mitigation measures, such as contingency planning and continuous risk monitoring, experienced fewer delays and cost overruns in their procurement projects. These studies affirm the current findings by demonstrating that effective

risk mitigation measures are crucial for minimizing procurement risks and ensuring smoother, more predictable procurement outcomes.

Contracts Risk Monitoring Tools

The second objective of the study was to establish the influence of contracts risk monitoring tools on procurement performance in the justice sector in Nairobi County, Kenya. Respondents were therefore asked to indicate their level of agreement with the statements on contracts risk monitoring tools. Table 2 presents summary of the findings obtained.

Table 2: Descriptive Analysis for Contracts Risk Monitoring Tools

Statement	Mean	Std. Dev.
My organization uses effective tools to monitor risks in procurement contracts.	3.915	1.056
Risk monitoring tools are integrated into the procurement management system.	3.901	1.022
The organization continuously tracks procurement risks throughout the contract lifecycle.	3.878	1.035
Risk monitoring tools provide real-time updates on potential risks.	3.868	1.042
The organization regularly reviews the effectiveness of its risk monitoring tools.	3.847	1.013
Risk monitoring tools have helped in preventing procurement issues before they escalate.	3.886	1.049
The organization ensures that all relevant stakeholders have access to risk monitoring tools.	3.861	1.034
Effective risk monitoring has led to better procurement outcomes.	3.886	1.022
Aggregate Score	3.884	1.022

The findings in Table 2 show that the respondents generally agreed that their organization uses effective tools to monitor risks in procurement contracts (M= 3.915, SD= 1.056); that risk monitoring tools are integrated into the procurement management system (M= 3.901, SD= 1.022); that the organization continuously tracks procurement risks throughout the contract lifecycle (M= 3.878, SD= 1.035); and that risk monitoring tools provide real-time updates on potential risks (M= 3.868, SD= 1.042). They further agreed that the organization regularly reviews the effectiveness of its risk monitoring tools (M= 3.847, SD= 1.013); that risk monitoring tools have helped in preventing procurement issues before they escalate (M= 3.886, SD= 1.049); that the organization ensures that all relevant stakeholders have access to risk monitoring tools (M= 3.861, SD= 1.034); and that effective risk monitoring has led to better procurement outcomes (M= 3.886, SD= 1.022).

The respondents' agreement on the importance of risk monitoring tools, reflected by an aggregate mean of 3.884 (SD= 1.022), aligns well with findings from previous research. For instance, in their study on the effectiveness of risk management practices in the Ugandan public procurement sector, Tumwine, Mbabazi, and Kabonesa (2020) found that continuous tracking and real-time risk monitoring significantly enhanced the ability of organizations to anticipate and address procurement issues before they escalated, thereby improving overall procurement performance. Similarly, Njeri and Gachoka (2021) emphasized that in the Kenyan context, the use of advanced risk monitoring tools allowed for more accurate and timely updates, which were crucial in managing dynamic procurement environments effectively. These studies support the current findings, underscoring the critical role that continuous risk monitoring and real-time updates play in the effective management of procurement risks.

Procurement Performance

The general objective of the study was to investigate the influence of procurement contracts risk management and procurement performance in the justice sector in Nairobi City County, Kenya. Respondents were asked to indicate their level of agreement with statements on procurement contracts risk management. Table 3 presents summary of the findings obtained.

Table 3: Descriptive Analysis for Procurement Performance

Statement	Mean	Std. Dev.
Procurement processes in my organization are completed within the stipulated timelines.	3.889	1.043
The quality of goods and services procured meets the required standards.	3.871	1.017
The organization adheres to budgetary limits during procurement.	3.854	1.012
Procurement activities comply with regulatory and legal requirements.	3.881	1.033
The procurement process is transparent and free from corruption.	3.861	1.014
Stakeholder satisfaction with procurement outcomes is high.	3.888	1.022
Procurement processes are efficient and cost-effective.	3.847	1.031
Overall procurement performance has improved over time in the organization.	3.856	1.012
Aggregate Score	3.873	1.019

The findings showed that the respondents agreed that procurement processes in their organization are completed within the stipulated timelines (M= 3.889, SD= 1.043); that the quality of goods and services procured meets the required standards (M= 3.871, SD= 1.017); that the organization adheres to budgetary limits during procurement (M= 3.854, SD= 1.012); and that procurement activities comply with regulatory and legal requirements (M= 3.881, SD= 1.033). They further agreed that the procurement process is transparent and free from corruption (M= 3.861, SD= 1.014); that stakeholder satisfaction with procurement outcomes is high (M= 3.888, SD= 1.022); that procurement processes are efficient and cost-effective (M= 3.847, SD= 1.031); and that the overall procurement performance has improved over time in the organization (M= 3.856, SD= 1.012).

The study measured procurement performance as the dependent variable, finding an aggregate mean of 3.873 (SD= 1.019). This suggests that the respondents perceived their procurement processes to be generally efficient and effective, particularly when supported by robust risk management practices. This finding is supported by Njeri and Gachoka (2021) demonstrated that in Kenya's public sector, procurement performance was significantly bolstered by comprehensive risk management strategies, which reduced the incidence of delays, cost overruns, and quality issues. These studies corroborate the current findings, highlighting that when procurement processes are underpinned by effective risk management, they tend to achieve higher levels of efficiency and effectiveness, ultimately contributing to better overall performance.

Correlation Analysis

Pearson correlation analysis was conducted to measure the strength and direction of the relationship between the independent variables and procurement performance. The relationship was considered to be small if $\pm 0.1 < r < \pm 0.29$; medium if $\pm 0.3 < r < \pm 0.49$; and strong if $r > \pm 0.5$. Table 4 presents the findings obtained.

Table 4: Correlation

		Procurement Performance	Risk Mitigation	Risk Monitoring
Procurement Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	71		
Contracts Risk Mitigation Measures	Pearson Correlation	.846**	1	
	Sig. (2-tailed)	.000		
	N	71	71	
Contracts Risk Monitoring Tools	Pearson Correlation	.798**	.563	1
	Sig. (2-tailed)	.000	.780	
	N	71	71	71

Sig. (2-tailed) $p < 0.05$

The study also found the strongest positive relationship between contracts risk mitigation measures and procurement performance, with a correlation coefficient of $r = 0.846$ and a p-value of 0.000. This high correlation indicates that well-implemented risk mitigation strategies are crucial in preventing procurement failures and ensuring that procurement projects are completed successfully. According to a study by Mwangi and Nyaga (2021), effective risk mitigation, such as the use of contingency plans and alternative strategies, significantly reduces the impact of unforeseen events on procurement processes, leading to better performance. The p-value of 0.000 confirms that this relationship is statistically significant, affirming the necessity of robust risk mitigation measures in procurement management.

Lastly, the correlation between contracts risk monitoring tools and procurement performance was also strong, with a correlation coefficient of $r = 0.798$ and a p-value of 0.000. This result highlights the importance of continuous monitoring and real-time updates in managing procurement risks effectively. These findings are in line with the study by Karanja and Gachoka (2020), who demonstrated that organizations that invest in advanced risk monitoring tools are more likely to identify and respond to emerging risks promptly, thereby maintaining high procurement performance. The statistically significant p-value indicates that the continuous monitoring of risks is vital in sustaining procurement efficiency and preventing disruptions.

Multiple Regression Analysis

Table 5: Beta Coefficients

Variable	Unstandardized Coefficients (B)	Standard Error	Standardized Coefficients (Beta)	t	Sig.
(Constant)	0.889	0.075		11.853	0.000
Contracts Risk Mitigation Measures	0.538	0.093	0.512	5.785	0.001
Contracts Risk Monitoring Tools	0.429	0.081	0.453	4.388	0.003

The regression equation fitted was:

$$Y = 0.889 + 0.538 \text{ Contracts Risk Mitigation Measures} + 0.429 \text{ Contracts Risk Monitoring Tools}$$

The multiple regression analysis revealed that contracts risk mitigation measures had the most significant positive impact on procurement performance within the justice sector in Nairobi City County. With a standardized beta coefficient (β) of 0.538 and a p-value of 0.001, this finding indicates that strengthening risk mitigation practices is crucial for enhancing procurement outcomes. The high beta value suggests that as organizations implement more

effective risk mitigation strategies, procurement performance improves significantly. This result is consistent with the findings of Ouma and Kilonzo (2020), who studied risk management in the Kenyan public sector and found that proactive risk mitigation strategies, such as establishing contingency plans and having adaptive measures in place, led to more efficient procurement processes and minimized disruptions. The statistical significance of the p-value confirms that this relationship is not due to random chance, emphasizing the importance of robust risk mitigation in procurement management.

Finally, contracts risk monitoring tools also had a substantial positive influence on procurement performance, with a beta coefficient (β) of 0.429 and a p-value of 0.003. This suggests that continuous risk monitoring, through tools that provide real-time updates and alerts, plays a critical role in ensuring that procurement processes remain on track and that emerging risks are swiftly managed. The significant p-value reinforces the reliability of this finding. This aligns with the study by Kariuki and Waithaka (2019), who highlighted that the use of advanced monitoring tools in Kenyan infrastructure projects was essential in preventing procurement delays and cost overruns, thus enhancing overall project success. The finding underscores the necessity of integrating effective risk monitoring systems to maintain procurement efficiency and responsiveness.

Conclusions

Contracts risk mitigation measures were identified as the most impactful variable in influencing procurement performance. The study concluded that the implementation of robust risk mitigation strategies, such as contingency planning and prompt response measures, is critical for minimizing disruptions and ensuring the continuity of procurement activities. The strong positive impact of risk mitigation measures on procurement performance highlights the need for organizations to prioritize the development and execution of these strategies. Effective risk mitigation not only reduces the likelihood of procurement delays and cost overruns but also enhances the overall efficiency and success of procurement operations.

The study concluded that continuous risk monitoring, supported by advanced tools, is essential for maintaining high procurement performance. The positive correlation and significant impact of risk monitoring tools on procurement performance suggest that organizations that integrate these tools into their procurement management systems are better positioned to track and respond to emerging risks in real-time. This proactive monitoring helps prevent potential issues from escalating, thereby improving procurement outcomes. The study emphasizes that ongoing risk monitoring is a critical component of effective procurement management, ensuring that procurement processes are both efficient and resilient to unforeseen challenges.

Recommendations

Given the critical role of risk mitigation measures in ensuring successful procurement outcomes, organizations should prioritize the development and implementation of robust risk mitigation strategies. It is recommended that organizations create comprehensive risk mitigation plans that include a variety of contingency measures tailored to the specific risks associated with each procurement contract. These plans should be reviewed and updated regularly to reflect new risks or changes in the procurement environment. Organizations should allocate adequate resources—both financial and human—to ensure that risk mitigation strategies can be implemented quickly and effectively when needed. This may involve training procurement staff on risk management best practices and ensuring they have the tools and authority to respond to risks as they arise. Collaboration with stakeholders, such as suppliers, contractors, and regulatory bodies, is also essential to ensure that risk mitigation measures are aligned with the broader objectives of the procurement process. By adopting a proactive approach to risk mitigation, organizations can minimize the impact of potential risks, reduce

procurement delays, and ensure that procurement activities remain on schedule and within budget.

To maintain high procurement performance, it is essential for organizations to integrate advanced risk monitoring tools into their procurement management systems. These tools should be capable of providing real-time updates and alerts on emerging risks, allowing procurement teams to respond swiftly and effectively. It is recommended that organizations invest in state-of-the-art monitoring software that can track a wide range of risk factors across the entire procurement lifecycle. These tools should be customizable to the specific needs of each contract, enabling teams to monitor the most relevant risks. Regular reviews of the effectiveness of these monitoring tools are crucial to ensure they are functioning as intended and are updated to address new challenges or risks that may arise. Additionally, organizations should ensure that these monitoring tools are accessible to all relevant stakeholders, including procurement managers, legal teams, and external partners. This accessibility promotes transparency and accountability, as all parties involved in the procurement process can stay informed about potential risks and collaborate on mitigation strategies. By prioritizing continuous risk monitoring, organizations can better manage procurement risks, prevent issues from escalating, and maintain high levels of procurement efficiency and effectiveness.

Recommendations for Further Studies

While this study provides valuable insights into the influence of procurement contract risk management on procurement performance within the justice sector, further research is recommended to explore additional factors that may influence procurement outcomes, such as organizational culture and technological advancements in procurement. Additionally, future studies could expand the scope beyond the justice sector to include other sectors within Nairobi City County or across Kenya, providing a comparative analysis that could reveal broader trends and best practices in procurement risk management. Finally, longitudinal studies could be conducted to assess the long-term impact of risk management practices on procurement performance, offering a more dynamic understanding of how these practices evolve and their sustained effects over time.

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